



# SAR AUTO PRODUCTS LIMITED

Regs. Off : 50-E Bhaktinagar Industrial Estate, RAJKOT. (GUJARAT) INDIA  
Web site : www.sarautoproductsltd.com E-mail : sapl@sarautoprouductsltd.com  
Ph.: +91 281 2374726 Fax : +91 281 2376806

CIN No. : L34100GJ1987PLC010008

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai-400 001

Date: 09-10-2018

Respected Sir,

SUB : Submission of Annual Report for the F.Y. 2017-18  
REF : COMPANY CODE 538992

As per captioned subject, Pursuant to Regulation 34 SEBI (Listing Obligation and Disclosure requirements), 2015 we enclosed herewith Annual Report of the Company for the F. Y. 2017-18.

You are requested to take the same in your record.

Yours faithfully,

Thanking you

For, SAR Auto Products Ltd.

Shreyas R. Virani  
Whole-Time Director  
Din: 00465240



Enclosure: Annual Report



## **INDEX**

<b>SR. NO.</b>	<b>CONTENTS</b>	<b>PAGE NO</b>
1	Company Information	1
2	Notice	2
3	Management Discussion and Analysis Report	7
4	Report on Corporate Governance	10
5	Declaration by CEO	19
6	Certification by CEO and CFO	20
7	Auditor's Certificate on Corporate Governance	21
8	Board's Report	22
9	Annexure to Notice, Report on Corporate Governance and Boards' Report- Annexure 01 to 06	28
10	Auditor's Report	48
11	Balance Sheet	56
12	Profit & Loss Account	57
13	Cash Flow Statement	58
14	Notes Forming Part of Balance Sheet and Profit & Loss Account	59
15	Attendance Slip, Form No. MGT-11- Proxy Form	90
16	Route Map to the Venue of the AGM	93

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Rameshkumar Durlabjibhai Virani	Chairman and Managing Director
Shreyas Rameshbhai Virani	Whole-Time Director
Issacthomas Charianthomas Kavunkal	Independent Director
Aarti Chintan Sodha	Independent Woman Director

### **KEY MANAGERIAL PERSONNEL**

Rameshkumar Durlabjibhai Virani	-	Managing Director
Shreyas Rameshbhai Virani	-	Whole-time Director
Ronak M. Khanvani	-	Company Secretary
Shreyas Rameshbhai Virani	-	Chief Financial officer

### **STATUTORY AUDITORS**

J. A. SHETH & ASSOCIATES  
Chartered Accountants  
507, Aalap -A, Limda Chowk,  
Subhash Road,  
Rajkot-360001.

### **SECRETARIAL AUDITOR**

M/s. K. P. RACHCHH & CO.,  
Company Secretary  
317, Krishna Con Arch-2  
Tagore Road, Rajkot 360002.

### **REGISTRARS & SHARE TRANSFER AGENT**

Link Intime India Private Limited  
5<sup>th</sup> Floor, 506-508,  
Amarnath Business Centre-1,  
(ABC-1), Besides Gala Business Centre,  
Near ST Xavier's College Corner  
Off C G Road, Ellisebridge  
Ahmedabad – 380 006.

### **STOCK EXCHANGE DETAILS**

BSE  
Script Code: 538992  
ISIN: INE002E01010

### **BANKERS**

Industrial Development Bank of India  
Amrish, Near K.K.V. Circle,  
Kalawad Road,  
Rajkot (Gujarat) – 360 005.

### **REGISTERED OFFICE**

50-E, Bhaktinagar,  
Inds. Estate, Rajkot- 360 002.  
Ph: 0281- 2374726 Fax: +912812376806  
Email: [sapl@sarautoproductsltd.com](mailto:sapl@sarautoproductsltd.com)  
Website: [www.sarautoproductsltd.com](http://www.sarautoproductsltd.com)  
CIN: L34100GJ1987PLC010088

## **NOTICE**

**Notice** is hereby given that the **THIRTY-FIRST (31<sup>st</sup>) ANNUAL GENERAL MEETING OF THE MEMBERS OF SAR AUTO PRODUCTS LIMITED** (CIN: L34100GJ1987PLC010088) will be held at the Registered Office of the Company at 50-E, Bhaktinagar Inds. Estate, Rajkot-360002 on Friday on 28<sup>th</sup> September, 2018 at 11:00 A.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Financial Statements as on 31<sup>st</sup> March, 2018 and the Profit & Loss Account for the year ended on that date and the Board's Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Shreyas Rameshbhai Virani (DIN: 00465240) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company for Consecutive period of Four years and to fix their remuneration and in this regard to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT M/s. J. A. Sheth & Associates, having Firm Registration No. 119980W, Chartered Accountants, were appointed as Statutory auditors of the Company on 19<sup>th</sup> September, 2017 to hold office from Annual General Meeting concerning of the financial year 2016-17 till the conclusion of the Annual General Meeting concerning of the financial year 2021-22, subject to ratification by shareholders at every Annual General Meeting. Now, after receiving a recommendation from the Audit Committee and pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and pursuant to Companies Amendment Act, 2017, M/s. J. A. Sheth & Associates be and are hereby appointed as Statutory Auditors of the Company to carry out statutory audit for a consecutive period of Four years i.e. from the year 2018-19 till the conclusion of the Annual General Meeting concerning of the financial year 2021-22 at a remuneration as may be recommended by the Audit Committee and fixed by the Chairman in consultation with the Auditors, plus applicable taxes and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of audit.”

### **SPECIAL BUSINESS**

4. To Consider and if thought fit, to pass with or without Modification(s), the following resolution as ORDINARY RESOLUTION

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof, approval of the Members of the Company be and is hereby accorded to the appointment of Shri Shreyas Rameshbhai Virani (DIN: 00465240) as the Whole-Time Director of the Company for a further period of five years with effect from 30<sup>th</sup> September, 2018, liable to retire by rotation and upon the terms and conditions including remuneration as may be decided by the Board on recommendation of Nomination and Remuneration Committee which shall be within the Limits prescribed under section 197 read with Schedule V of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the aforesaid resolution.”

## Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.  
A Person can act as Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying Voting Rights. A Member holding more than ten percent of the total share capital of the Company carrying Voting Rights may appoint a single person as Proxy for his/her entire shareholding and such person shall not act as a Proxy for another person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The relevant Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under item no.04 is annexed hereto. Brief profile of directors to be re-appointed is attached to this report as Annexure 01 of Board's Report.
4. The Register of member and Share Transfer Book of the Company will remain closed from 22<sup>nd</sup> September, 2018 to 28<sup>th</sup> September, 2018 (Both days inclusive) in connection with the Annual General Meeting.
5. To ensure correct identity each member and proxy holders attending meeting is expected to bring with him/her an appropriate ID document like Driving License, Passport, Voters card, etc.
6. The Members/Proxies are requested to produce the attendance slip duly completed and signed at the entrance of the meeting.
7. Shareholders are requested to bring their copies of Annual Report at the meeting.
8. Members who are holding shares in Physical form are requested to intimate any change in their address immediately to the Company's Registrar and Share Transfer Agent LINK INTIME INDIA PVT. LTD., 5<sup>th</sup> Floor, 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near ST Xavier's College Corner, Off C G Road, Ellisbridge Ahmedabad-380006, Ph: 079-26465179, quoting their folio no. Further, please note that in case of members holding shares in demat form, any change(s) required in Address, Bank details, etc. are to be intimated to your DP and not to the Company or Registrar.

In Furtherance, Members who are holding Physical shares are advised to pay attention on Notification dated 8<sup>th</sup> June, 2018 of SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018. This notification mandates that transfer of securities (i.e except in case of Transmission or Transposition) would be carried out in dematerialized form only w.e.f. 5<sup>th</sup> December, 2018. So, The Company is hereby advising physical share certificate holders to get their entire holding in dematerialized form. Further, Shareholders may contact RTA **Link Intime India Pvt. Ltd.** at 506-508, Amarnath Business Center-1 (ABC-1), Besides Gala Business Center, Near ST. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad-380006, 079-26465179/86/87, [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) or The Company at 50-E, Bhaktinagar,

Inds. Estate, Rajkot-360002. Ph: 0281- 2374726, Email: [sapl@sarautoproductsltd.com](mailto:sapl@sarautoproductsltd.com) to get guidance regarding how to get dematerialized their holdings.

9. In terms of circular issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN Card to the Company or its RTA in the following cases viz. Transfer of shares, deletion of name, transmission of share and transposition of shares. Shareholders are requested to furnish copy of Pan Card for all above mentioned transactions.
10. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect relevant information.
11. The Route Map of Venue is printed over here at the end of the Notice (attached herewith separately).
12. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 31<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting service provided by CDSL:

The voting period begins on 24<sup>th</sup> September, 2018 at 10:00 a.m. and ends on 27<sup>th</sup> September, 2018 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21<sup>st</sup> September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

The Instructions for members for voting electronically are as under:

- i. Log on to e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on "Shareholders" tab.
- iii. Now, select the "SAR AUTO PRODUCTS LTD." from the drop down menu and click on "SUBMIT"
- iv. Now enter your user ID
  - a. For CDSL : 16 digit beneficiary ID
  - b. For NSDL : 8 character DPID followed by 8 digits Client ID
  - c. Members holding shares in physical forms should enter Folio Number registered with the Company.
- v. Next enter the image verification as displayed and click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
<div>Dividend Bank Details</div> <div><b>OR</b></div> <div>Date of Birth (DOB)</div>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant SAR AUTO PRODUCTS LIMITED on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "click here to print" option on the voting page.
- xvii. If demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. I Phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for non-individual shareholders and custodians.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log onto <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- After receiving the login the details a compliance user should be created using the Admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any; in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
13. Mr. Kalpesh P. Rachchh, proprietor of M/s. K. P. Rachchh & Co., Practicing Company Secretary (Membership no. FCS 5156) (Address: 317 Krishna Con Arch -2, Tagore Road, Rajkot 360 002, Gujarat) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
14. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

#### **Annexure to Notice:**

#### **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

#### **For Item No. 4**

Pursuant to Provisions of section 196, 197 and 203 read with schedule V and all applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Board of Directors at its meeting held on 13<sup>th</sup> August, 2018, has re-appointed Shri Shreyas Rameshbhai Virani as Whole-time Director of the Company for a further period of 5 (Five years) w.e.f 30<sup>th</sup> September, 2018 to 29<sup>th</sup> September, 2023, liable to retire by rotation and upon the terms and conditions including remuneration as may be decided by the Board on recommendation of Nomination and Remuneration Committee which shall be within the Limits prescribed under section 197 read with Schedule V of the Companies Act, 2013.

Pursuant to provision of section 196(4), re-appointment of Shri Shreyas Rameshbhai Virani as Whole-Time Director and the terms and conditions of such appointment including remuneration approved by Board of Directors is also required to be approved by Members in the next general meeting.

Hence, The Board recommends the resolution as Item no.4 for your approval.

Except Mr. Shreyas R. Virani, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested.

Place: Rajkot

Date: 13<sup>th</sup> August, 2018

By order of Board of Directors

Sar Auto Products Ltd.

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34(2)(e) of SEBI LODR Regulations 2015, a Management Discussion and Analysis report is given below:-

### **1) OVERALL REVIEW**

Company manufactures auto components comprising of automobile gears like Spur, Helical, Straight Bevel, Sprockets along with Transmission Spline Shaft, Couplings and Power Takeoff Clutches which are used for Transmission, Engine and Differential gear boxes. We produce gears conforming to German specification DIN 7 to DIN 9 class of accuracy. We are certified to ISO 9001:2000 quality system requirements, from TUV Sudddeutsch land, in the year 2008. During the year 2017-18 there is decrease in Production. In this year there is Production of 88,707 (nos.) parts as compared to last year production of 105442 (nos.) auto parts components. In terms of Turnover the company has achieved the net turnover of Rs. 6,95,10,070/-. The overall Review highlighted below:

<b>Particulars</b>	<b>Year: 2017-2018</b>	<b>Year: 2016-2017</b>
<b>Export Sales</b>	<b>34,02,457.00</b>	30,30,640.00
<b>Domestic Sales</b>	<b>4,82,59,953.00</b>	5,32,93,448.00
Total Sales	5,16,62,410.00	5,63,24,088.00
Other Income	31,93,627.00	23,62,731.00
Earnings Per Share	0.34	0.64

### **2) INDUSTRY STRUCTURE AND DEVELOPMENTS**

#### **MANUFACTURING SECTOR & AUTO COMPONENTS INDUSTRY IN INDIA**

Manufacturing has emerged as one of the high growth sectors in India. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020.

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. The auto-component industry of India has expanded by 14.3 per cent because of strong growth in the after-market sales to reach at a level of Rs 2.92 lakh crore (US\$ 43.55 billion) in FY 2016-17. The industry is further expected to grow to US\$ 47-49 billion in FY18.

The auto-components industry accounts for 2.3 per cent of India's Gross Domestic Product (GDP) and employs as many as 1.5 million people directly and indirectly each.

### 3) SEGMENT WISE PERFORMANCE

#### Segment Information

The Company has following Segment

- a) The manufacturing Segment includes manufacturing of gears, gear boxes and other transmission components
- b) The construction segment includes business of real estate development

#### Segment Reporting for the year ended 31<sup>st</sup> March, 2018

[ Figures in Rs.]

Particulars		BUSINESS SEGMENTS			
		Manufacturing	Construction	Unallocable	Total
<b>1.</b>	<b>Segment Revenue</b>				
	External Turnover	51,965,070	17,545,000	-	69,510,070
	Inter-Segment Turnover	-	-	-	-
	<b>Gross Turnover</b>	51,965,070	17,545,000	-	69,510,070
	Less: Excise Duty	(1,191,471)	-	-	(1,191,471)
	<b>Net Turnover</b>	<b>50,773,599</b>	<b>17,545,000</b>	<b>-</b>	<b>68,318,599</b>
<b>2.</b>	<b>Segment Result before Interest and Taxes</b>	<b>(2,136,521)</b>	<b>1,650,643</b>		(485,878)
	Less: Interest Expense	-	-	(720,808)	(720,808)
	Add: Other Income	-	-	3,193,627	3,193,627
	<b>Profit Before Tax [PBT]</b>	<b>(2,136,521)</b>	<b>1,650,643</b>	<b>2,472,819</b>	<b>1,986,941</b>
	Less: Net Current tax	-	-	21,202	21,202
	Deferred tax	-	-	362,901	362,901
	Prior Year Tax	-	-	-	-
	<b>Profit After Tax [PAT]</b>	<b>(2,136,521)</b>	<b>1,650,643</b>	<b>2,088,716</b>	<b>1,602,838</b>
<b>3.</b>	<b>Other Information</b>				
	Segment Assets	158,579,540	2,030,706	-	160,610,246
	Segment Liabilities	160,610,246	-	-	160,610,245

## **OUTLOOK**

The rapidly globalising world is opening up newer avenues for the transportation industry and this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development. Company is monitoring the present style of auto parts used and analyzing future development requirements in auto parts based on the new innovation taking place in automobile industry. Company is also focusing to give best quality so as it can increase the exports of the same. With the best of technical expertise, financial acumen, marketing experience and managerial skills at hand, we look forward to explore the export market in the gears and in the wide range of automotive parts.

## **OPPORTUNITIES, THREATS, RISK AND CONCERN:**

The Company is carrying on the business of manufacturing of auto components such as automobile gears like Spur, Helical, Straight Bevel, Sprockets along with Transmission Spline Shaft, Couplings and Power Takeoff Clutches which are used for Transmission, Engine and Differential gear boxes.

In today's parlance Auto component industry has growth potential as the population is increasing, demand of vehicle in all segment is increasing so the future of the Company seems bright.

Your Company regularly monitors the various risks associated with its business. The Company is identifying, minimizing and mitigating the risks and the same are reviewed periodically. There are various Risk factors such as Changes in Government Policies and Regulations, Fluctuation in Foreign Exchange Rates, Prices of Raw materials, Competition, Volatile in Automobile Industry, Manpower. The Company is trying to overcome/minimize it by taking certain steps, which are in hand of company.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company is committed to maintaining high standards of internal controls designed to provide accuracy of information, efficiency of operations, and security of assets. The Company has adequate internal controls commensurate with the size and nature of its operations to ensure orderly and efficient conduct of business.

These controls ensure the safeguarding of assets, prevention and detection of fraud and error, Irregularities. These controls ensure the accuracy and completeness of the accounting records, timely preparation of reliable financial information and adherence to Companies policies, procedures and legal obligations. The audit committee of the Board of Directors meets periodically to review the performance as reported by the auditors.

## **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :**

The Company has achieved its commercial production of 88,707 and the Net turnover of Rs. 6,95,10,070/- in the Financial year 2017-18. In this year, company has earned Profit of Rs. 16.03 lacs as compared to last year's profit of Rs. 30.06 lacs. Export turnover of the Company increased in comparison to last year. Details of the performance are disclosed in the financial statement.

## **HUMAN RESOURCE AND DEVELOPMENT:**

There has been no material development on the Human Resource/ Industrial Relations Front during the year. The Company always has adopted positive approach towards human relation development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out, etc.

## **CAUTIONARY STATEMENT:**

Management Discussion and Analysis Report are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual results could differ materially from those expressed or implied.

The Company assumes no responsibility to publicly to amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

Place: Rajkot

Date: 13<sup>th</sup> August, 2018

For and on Behalf of

Sar Auto Products Ltd.

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

## **REPORT ON CORPORATE GOVERNANCE**

As required, compliance of Corporate Governance under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 is presented herewith, However, this regulation of Schedule V is not applicable to company but has given voluntary Report on Corporate Governance for the financial year ended on 31st March, 2018 along with certificate of auditors of the Company.

### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Corporate Governance is very important to build confidence and trust which leads to strong, stable and long term partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 and Listing Agreement with the Stock Exchange/s is set out below.

### **2. BOARD OF DIRECTORS:**

#### **(I) COMPOSITION OF BOARD:**

The Board consists of 4 (Four) Directors showing the fair combination of Executive, Non-Executive and Independent Directors. The directors are different in respect of the knowledge and expertise in the field. Some of the directors are professionals from different field; some are having the vast knowledge and experience of marketing/Production.

(II) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS HELD DURING THE YEAR 2017-18 AND ANNUAL GENERAL MEETING:

No.	Name of Director	Category	No. of Board Meeting Attended	Attendance at Last AGM held on 19-09-2017
1	Shri Rameshbhai Virani	NI- E	4	No
2.	Shri Shreyas Virani	NI-E	4	Yes
3	Shri IssacThomas C. Kavunkal	IND-NE	4	Yes
4.	Smt. Aarti Chintan Sodha	IND-NE	4	No

NI- Non Independent, NE- Non Executive, IND- Independent, E- Executive

(III) NO. OF OTHER COMPANIES OR COMMITTEES IN WHICH DIRECTOR IS DIRECTOR/CHAIRMAN/MEMBER:

No.	Name of Director	No. of other Directorship	Membership in the Committee of other Company	Chairmanship At the Committee of other Company
1	Shri Ramesh Virani	Nil	Nil	Nil
2	Shri Shreyas Virani	Nil	Nil	Nil
3	Shri IssacThomas C. Kavunkal	Nil	Nil	Nil
4	Smt. Aarti Chintan Sodha	Nil	Nil	Nil

As per Section 165 (1) of the Companies Act, 2013, none of the directors can hold directorship in more than 20 Companies including 10 public companies and as per Regulation 36 of SEBI (LODR) Regulations, 2015, a director shall not be a member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he is director. The Directors of the Company are in compliance with the requirements.

(IV) NUMBER OF BOARD MEETINGS HELD AND THE DATES OF BOARD MEETING:

Four (4) Board Meetings were held during the financial year 2017-18 on following dates:

28-04-2017, 04-08-2017, 14-11-2017 and 05-02-2018.

(V) NON-EXECUTIVE DIRECTORS COMPENSATION AND DISCLOSURE:

No Compensation, Remuneration is paid to Non- Executive Independent Directors and Non Executive Directors do not hold any shares of the Company and Shares held by Executive Directors of the Company is disclosed in FM MGT 9 – Annexure 6 of Board's Report.

(VI) DETAILS OF THE DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING:

Entire detail is attached as **Annexure 01** to this report.

**3. AUDIT COMMITTEE:**

As a measure of good corporate governance and to provide assistance to the Board of Directors in overseeing the Boards responsibilities, your company has constituted an Audit Committee pursuant to provision of section 177 of the Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015.

(I) COMPOSITION OF COMMITTEE:

Audit Committee consist of the following Members

Shri Issacthomas C. Kavunkal	- Chairman	- Non Executive Independent Director
Smt. Aarti C. Sodha	- Member	- Non Executive Independent Director
Shri Shreyas R. Virani	- Member	- Executive Director

(II) BRIEF TERMS OF REFERENCE:

The terms of reference of Audit Committee in accordance with the provision of Section 177 of the Companies Act 2013 are as follows :-

- The recommendation for appointment, remuneration and terms of appointment of the auditors of the company.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process
- Examination of the financial statement and the auditor's report thereon
- Approval of any subsequent modification of transactions of the company with related parties.
- Scrutiny of Inter-Corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters

**WHISTLE BLOWER POLICY (VIGIL MECHANISM):**

Company has also established vigil mechanism for directors and employees to report their genuine concern or grievance and the audit committee shall oversee the vigil mechanism. The Vigil mechanism will provide adequate safeguards against victimization of employees and directors who avail of the vigil mechanism. The Audit Committee has approved framing of a Whistle Blower Policy and reviews the same from time to time which provides a formal mechanism for all employees of the Company to approach the Ethics Counselor/Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is an extension of the exiting Code of Conduct of the company, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. Under the Policy, each

employee of the Company has an assured access to the Ethics Counselor/Chairman of the Audit Committee.

### (III) MEETINGS AND ATTENDANCE DURING THE YEAR:

Four Meetings of Audit Committee were held during financial year 2017-18 on the dates as mentioned below and all members were present at the meetings:

20-04-2017, 21-07-2017, 30-10-2017 and 25-01-2018

## **4. NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to provision of section 178 of the Companies Act, 2013, and Regulation 19 of SEBI (LODR) Regulations, 2015 Company has constituted Nomination and Remuneration Committee. The Committee decides about remuneration policy of the Company. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

### (I) COMPOSITION OF COMMITTEE:

The Committee comprises the following Directors as members

- |                                 |   |
|---------------------------------|---|
| 1. Shri Issacthomas C. Kavunkal | - Chairman - Non Executive Independent Director |
| 2. Smt. Aarti C. Sodha          | - Member - Non Executive Independent Director   |
| 3. Shri Rameshkumar D. Virani   | - Member - Executive Director                   |

### (II) BRIEF DESCRIPTION OF THE TERMS OF REFERENCE:

The Broad terms of reference of Remuneration Committee are as follows:-

- (a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommends to the Board their appointment and remove and shall carry out evaluation of every director's performance.
- (b) Formulate the criteria for determining qualifications, positive attributes and independence of director and recommended to the Board a policy relating to the remuneration for the directors, Key Managerial personnel (KMP) and other employees.
- (c) To approve, in the event of loss or inadequate profits in any year, minimum remuneration payable to the Whole-Time Directors/Managing Directors within the limits and to the parameters prescribed in Schedule V to Companies Act, 2013.
- (d) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- (e) Devising a policy on diversity of Board of Directors.

Details of remuneration paid:

1. Shri Shreyas R. Virani, Whole-Time Director was paid Rs.10,55,964 as Managerial remuneration during the year 2017-18.
2. Shri Rameshbhai D. Virani, Managing Director was paid Rs.11,61,552 as Managerial remuneration during the year 2017-18.

### (III) MEETINGS AND ATTENDANCE DURING THE YEAR:

Two meeting of the Remuneration Committee were held during the financial year 2017-18 on 20-04-2017 and 01-02-2018 and all the members were present.

## **5. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Pursuant to provision of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. Your Company had constituted Stakeholders Relationship Committee.

### (I) COMPOSITION OF COMMITTEE:

The Committee comprises the following Directors as members.

1. Shri Issachthomas C. Kavunkal - Chairman - Non Executive Independent Director
2. Shri Shreyas R. Virani - Member - Executive Director
3. Shri Ramesh D. Virani - Member - Executive Director

### (II). BRIEF DESCRIPTION OF THE TERMS OF REFERENCE:

The terms of reference of the committee are to look into redressal of shareholders/Investors' grievances relating to various matters such as non-receipt of notices, share certificate, annual reports, dividends, transfer of shares dematerialization of shares and other grievances.

### (III) MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year 2017-18, one (1) Committee meeting was held on 19-04-2017 and all members have attended the meeting.

### (IV). NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:

Mr. Ronak M. Khanvani

Company Secretary & Compliance Officer of the Company

## **6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

In accordance with the provisions of section 135 of the Companies Act, 2013 your company have already constituted Corporate Social Responsibility (CSR) Committee to perform social duty through welfare of the society at large (Section 135 of the Companies Act, is not applicable to the Company, A Committee was framed voluntary.)

### I. COMPOSITION OF THE COMMITTEE:

The Committee comprises the following Directors as members

1. Shri Ramesh D. Virani - Chairman - Executive Director
2. Shri Shreyas R. Virani - Member - Executive Director
3. Shri IssacThomas C. Kavunkal - Member Non Executive Independent Director

### II. BRIEF DESCRIPTION OF THE TERMS OF REFERENCE:

- (a) Formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.

- (b) Recommend the amount of expenditure to be incurred on the activities referred to in Clause (a) and
- (c) Monitor the Corporate Social Responsibility policy of the Company from time to time. –

(III) MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year 2017-18 the Committee met one time on 19-04-2017 and all the members have attended the meeting.

**7. RISK MANAGEMENT COMMITTEE:**

I. COMPOSITION OF THE COMMITTEE:

Company has voluntarily framed the Risk Management Committee, which comprised of the following members:

- 1. Shri Shreyas R. Virani - Chairman- Executive Director
- 2. Shri Ramesh D. Virani - Member - Executive Director
- 3. Shri IssacThomas C. Kavunkal - Member - Non Executive Independent Director

(II). BRIEF DESCRIPTION OF THE TERMS OF REFERENCE:

The committee mainly aims at identification of Risk at Various activities of Business and to manage the Risk and evaluation of Risk Management System.

(III) MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year 2017-18 the Committee met one time on 21-04-2017 and all the members have attended the meeting.

**8. SEPARATE MEETING OF INDEPENDENT DIRECTOR:**

One meeting of the Independent Director of the Company was held on 05-08-2017.

**9. GENERAL BODY MEETING:**

(I) DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS:

Financial Year	Location	Date	Day	Time
2014-2015	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	29 <sup>th</sup> September, 2015	Tuesday	11.00 A. M.
2015-2016	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	29 <sup>th</sup> September, 2016	Thursday	11.00 A. M.
2016-2017	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	19 <sup>th</sup> September, 2017	Tuesday	11.00 A. M.

Whether Special Resolution Passed: Yes- as mentioned below:

- Special Resolution was passed in the 28<sup>th</sup> Annual General Meeting convened on 29<sup>th</sup> September, 2015 for getting approval of Shareholders to continue the term of Shri Rameshbhai Virani as Managing Director of the Company who has attained the age of 70 years.
- Special Resolution was passed in the 30<sup>th</sup> Annual General Meeting convened on 19<sup>th</sup> September, 2017 for Re –appointment of Shri Rameshbhai Virani for further period of 5 years and whose age was more than 70 years.

(a) Were put through postal ballot last year : No

(b) Are proposed to be conducted through postal ballot this year : No

## **10. DISCLOSURES:**

- (I) No transaction of material nature has been entered into by the Company with its promoters, directors, relatives or management of the Company that may have potential conflict with the interests of Company.
- (II) The Company has complied with the requirement of statutory/ regulatory authorities on capital market and no penalties\strictures have been imposed on the Company by SEBI or Stock Exchanges during the last three financial year.
- (III) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism pursuant to Regulation 22 of SEBI (LODR) regulations, 2015 for employees to report concerns about unethical behavior. No personnel have been denied access to the Ethics Counsellor/Chairman of the Audit Committee.
- (IV) The Company also has laid down the Code of Conduct to maintain highest standard of ethics and values for the Directors, senior management and all the employees. The said code is placed on the website of the Company.
- (V) The Company has also laid down Code of conduct to be dealt with Insider Trading under SEBI (Prohibition of Insider Trading) Regulations, 2015. The said code is placed on the website of the Company.
- (VI) The Company has policy on Determination of Materiality of events under Regulation 30 of SEBI (LODR) Regulations, 2015 and the Company has also framed policy on Materiality of Related party Transactions and dealing with RPT as required under Regulation 23 of SEBI(LODR) Regulations, 2015.
- (VII) The Company has adopted policy on preservation of documents with Archival Policy under Regulation 9 & 30 of SEBI (LODR) Regulations, 2015; said policy is also available at the website of the company.
- (VIII) The Company has placed on the website policy on Familiarization Programme for Independent Directors.
- (IX) The financial statements up to year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provisions of the Act as applicable. However, the Financial Statement for the year ended on 31<sup>st</sup> March, 2018 has been prepared according to Ind AS financial statements and are covered by Ind AS 101- First time Adoption of Indian Accounting Standards and the Disclosures as required by Ind AS 101 first time adoption of Indian Accounting Standards has been given in Note 35 of the Financial Statements.

## **11. MEANS OF COMMUNICATIONS:**

- (i) In compliance with the requirements of the Regulation 52 of SEBI LODR Regulations 2015, the Company is regularly intimates Un-audited/Audited financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These

Financial Results are normally published in 'Economic Times' in Gujarati and in English. Which is also be posted on the website of the company.

- (i) During the year ended on 31<sup>st</sup> March, 2018 no presentation was made to Institutional Investors or analyst or any other enterprise.
- (ii) Management Discussion and Analysis forms part of this Annual Report.

## **12. GENERAL SHAREHOLDERS INFORMATION:**

### **I. ANNUAL GENERAL MEETING:**

Date : 28<sup>th</sup> SEPTEMBER, 2018

Time : 11.00 A. M.

Day : Friday

Venue : 50/ E, Bhaktinagar Industrial Estate,  
Rajkot - 360 002.

### **II. FINANCIAL CALENDAR:**

Results for Quarter: (Tentative)

1st Quarter Results : before 15<sup>th</sup> August,2018.  
Half-yearly Results : before 15<sup>th</sup> November,2018.  
3rd Quarter Results : before 15<sup>th</sup> February , 2019.  
Audited yearly Results : End-May, 2019.

III. DATE OF BOOK CLOSURE : 22<sup>nd</sup> September, 2018 to 28<sup>th</sup> September, 2018 (Both Days Inclusive)

### **IV. LISTING ON STOCK EXCHANGES:**

1. Bombay Stock Exchange  
Security Code: 538992

Phiroze Jeejibhoy Tower  
Dalal Street,  
Mumbai-400001

V. DEMAT INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN) IN NSDL AND CDSL FOR EQUITY SHARES: INE002E01010

### **VI. DEMATERIALISATION OF SECURITIES:**

Total 47,42,440 shares i.e. 99.53 % of the Company's Equity Share Capital are dematerialised as on 31st March, 2018 by the members of the Company through CDSL and NSDL.

## VII. SHARE TRANSFER SYSTEM:

Trading in equity share of the Company is permitted in physical and dematerialized form. Share transfer in physical form received by the Registrar and Transfer agent are registered and returned within the prescribed time period from the date of receipt of the documents, provided all documents are valid and complete in all respects. As per SEBI Guidelines upon completion of the transfers, the Registrar and Transfer Agent send an offer letter to the transferee with an option to receive credit of transferred shares in electronic form under the transfer cum demat facility. In case option is not exercised or if offer is not submitted within stipulated time the share certificates are sent to the transferee.

## REGISTRAR & TRANSFER AGENT:

Link Intime India Private Limited  
5<sup>th</sup> Floor, 506-508, Amarnath Business Centre-1,  
(ABC-1), Besides Gala Business Centre,  
Near ST Xavier's College Corner  
Off C G Road, Ellisebridge  
Ahmedabad – 380 006  
Phone / Fax No.:079-26465179  
Email: ahmedabad@linktime.co.in

## VIII. ADDRESS FOR COMMUNICATION:

Sar Auto Products Ltd.  
50E Bhaktinagar Industrial Estate,  
Rajkot - 360 002.

## IX. PLANT LOCATIONS:

Sar Auto Products Ltd.  
50E Bhaktinagar Industrial Estate,  
Rajkot - 360 002.

## X. Distribution of Shareholding as on 31<sup>st</sup> March, 2018:

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of share holding
Upto 500	585	93.45%	23461	0.49
501 to 1000	16	2.56%	14125	0.30
1001 to 2000	7	1.11%	11499	0.24
2001 to 3000	2	0.32%	5178	0.11
3001 to 10000	0	0	0	0
10001 to *****	16	2.56%	4710477	98.86
<b>Grand Total</b>	626	100.00	4764740	100.00

XI. SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2018.

SR. NO.	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
1	Public	794901	16.68
2	NRI's/ OCBs	197995	4.16
3	Financial Institution	220417	4.63
4	Bodies Corporate	195323	4.10
5	HUF	656	0.01
6	Clearing Members	713	0.01
7	Promoters (Directors & Relatives)	3354735	70.41
	TOTAL	4764740	100.00

XII. STOCK PRICE DATA

Bombay stock Exchange Limited				
Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume (Shares)
Apr- 17	97.00	85.50	94.00	157
May-17	NO RECORDS FOUND			
June-17	99.70	94.00	95.00	306
July-17	NO RECORDS FOUND			
August-17	110.75	87.55	106.00	40,835
September-17	124.40	98.00	123.80	10,635
October-17	147.95	112.20	141.50	25,560
November-17	165.90	122.55	138.95	36,239
December-17	171.15	132.05	160.10	15,678
January-18	176.00	137.60	160.00	21,815
February-18	193.50	153.25	165.00	27,101
March-18	182.95	129.10	163.45	7,590

As required by Regulation 17(8) of SEBI (LODR) Regulations, 2015, with the stock exchange/s, CEO/CFO Certification and the Auditors Certificate is given as Annexure to this report.

**DECLARATION BY CEO UNDER PART D SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT:**

In accordance with Part D of Schedule V of SEBI (LODR) Regulations, 2015, I hereby confirm that, all Board Members i.e. Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended on 31<sup>st</sup> March, 2018.

Place: Rajkot

Date: 13<sup>th</sup> August, 2018

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani

CEO

DIN: 00313236

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY:**

*(Pursuant to Regulation 17(8) of SEBI (LODR) Regulation, 2015)*

We, Shri Rameshbhai Virani, Managing Director and Chief Executive Officer and Shri Shreyas Rameshbhai Virani, Chief Financial Officer of Sar Auto Products Limited (the Company), hereby certify to the Board that:

- (a) We have reviewed the financial statements and the cash Flow Statement for the year and that to the best of our knowledge and belief:
  - (i) These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - (ii) These statement together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit Committee:
  - (i) Significant changes in internal controls over financial reporting during the year;
  - (ii) Significant changes in accounting polices during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company internal control system.

Place: Rajkot

Date: 13<sup>th</sup> August, 2018

Rameshkumar D. Virani  
Managing Director and CEO  
DIN: 00313236

For and on Behalf of

Sar Auto Products Ltd

Shreyas R. Virani  
CFO  
DIN: 00465240

## **AUDITORS' CERTIFICATE ON COMPLIANCE – CORPORATE GOVERNANCE**

To,  
The Members of  
SAR AUTO PRODUCTS LIMITED  
Rajkot.

We have reviewed the records concerning the Company's compliance of condition of corporate governance as stipulated in Chapter IV of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015, with the Stock Exchanges in India, for the financial year ended 31st March, 2018.

The Compliance of conditions of corporate governance is the responsibility of the management. Our Examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of condition of corporate governance. It is neither an audit nor an expression of an opinion on the financial statement of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanation given to us by the Company.

Based on such review, and to the best of our information and explanation given to us, in our opinion, the company has complied with conditions of corporate governance as stipulated in said Chapter IV of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015 except Composition of Nomination & Remuneration Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the company

Place: Rajkot  
Date: 13<sup>th</sup> August, 2018

For, J A Sheth & Associates  
Chartered Accountants

(Jingal A Sheth)  
Proprietor  
Membership No.: 107067

## BOARD'S REPORT

To  
The Members,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report of the Company together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2018.

### 1) FINANCIAL HIGHLIGHTS :

	<b>(Amt Rs. in Lacs)</b>	
Financial Results	2017-18	2016-17
Income from operations	695.10	566.85
Add : Other Income	31.94	23.63
Total Income	727.04	590.48
Less : Total Expenditure	578.68	448.54
Profit/(Loss) before Depreciation write off and Interest	148.36	141.94
Less: Interest	7.21	4.28
Less: Depreciation & Amortization Expense	121.28	112.06
Profit / (Loss) before tax	19.87	25.60
Less: Provision for tax:		
Current Tax	4.00	5.30
Prior Period Taxes	0	0
Deferred Tax Assets	3.63	(4.66)
MAT Credit Entitlement	(3.79)	(5.10)
Profit/(Loss) after tax	16.03	30.06

### 2) REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS:

During the year, the Company has made Net turnover of Rs. 695.10 Lacs in comparison to previous year of Rs. 566.85 i.e. increased by 22.63% and the Company has made Profit of Rs. 16.03 Lacs in comparison to Profit after tax of previous year of Rs. 30.06. Management is working hard and aiming to increase the exports of the Company and looking forward to explore market in the gears and in the wide range of automotive parts. The future of automobile industry is very bright, there will be always increase in demand of Automobiles and this increase in demand leads to increase in automobiles parts, so the future of the Company seems to be bright. Your directors are hopeful for better financial result in coming years.

### 3) DIVIDEND:

Due to plough back of Profit, your Directors do not recommend any dividend.

**4) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

During the year 2017-18, your Company has not made transaction forming part of section 186 of the Companies Act, 2013.

**5) TRANSFER TO RESERVES:**

Company has not transferred any amount to Reserves.

**6) PARTICULARS RELATING TO HOLDING/SUBSIDIARY/ASSOCIATE CO.:**

The Company has no Holding, Subsidiary and Associate Company.

**7) DEPOSITS:**

Company has not accepted any deposit and as such no amount of deposit whether Principal or interest thereon was Outstanding as of the Balance Sheet.

**8) PARTICULARS OF CONTRACT OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is carried out at arm's length basis the details of the same is prescribed in Form AOC-2, appended as Annexure 02 to the Board's report.

**9) TRANSITION TO IND AS:**

The financial statements up to year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provisions of the Act as applicable. These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101- First time Adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the 'Previous GAAP' for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's financial position, financial performance and cash flows is provided in Note 35(c) of the financial statement.

**10) MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:**

No material changes and commitment affecting the financial position of the Company occurred between the end of financial year to which this financial statement relate and the date of this report.

**11) INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## **12) INSURANCE:**

The assets of the company including buildings, plant & machinery, stocks, etc. wherever necessary and to the extent required have been adequately insured against various risk.

## **13) SEGMENT REPORTING:**

As per Indian Accounting Standard 108 'Operating Segment', the Company has reported 'Segment Information', as described below:

- a) The manufacturing Segment includes manufacturing of gears, gear boxes and other transmission components
- b) The construction segment includes business of real estate development

Details of the same is Given in Management Discussion and Analysis Report.

## **14) INDUSTRIAL RELATIONS & HUMAN RESOURCES:**

The Company treats its all manpower as a valuable assets and growth of the company is possible through entire workforce working in the company. The industrial relation with workmen and staff continued to be extremely cordial during the year under review. The Board wishes to take place on record its appreciation for the valuable services rendered by its entire workforce.

## **15) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Sar Auto's premises through various interventions and practices. The Company has formed a policy on prevention of Sexual Harassment policy of Women at workplace and framed Internal Complaints Committee and during the year 2017-18. No complaint has been received.

## **16) PARTICULARS OF EMPLOYEES:**

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in as Annexure 03 to Board's report.

## **17) MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management discussion and Analysis report for the year under review, as stipulated under Regulation 34(2) of SEBI (LODR) Regulations, 2015 is presented in separate section and forms part of the Annual Report.

## **18) CORPORATE GOVERNANCE:**

CORPORATE GOVERNANCE is a system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of the many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community and considering the importance of Corporate Governance, your Company is committed to maintaining the highest standards of corporate governance and adheres to the corporate governance requirement set out by SEBI. All

conditions of corporate governance as required under SEBI (LODR) Regulations, 2015 have been Voluntary complies with and duly audited. A certificate from the statutory auditors of the company regarding compliance of conditions of corporate governance has been obtained and is enclosed to the report of corporate governance.

#### **19) CEO/ CFO CERTIFICATION:**

Pursuant to the Regulation 17(8) of SEBI (LODR) Regulations, 2015, the CEO/ CFO Certification for preparation of financial statements etc. is annexed in this report.

#### **20) NUMBER OF MEETINGS OF THE BOARD:**

The Board has met 4 (Four) times during the financial year, the details of which are given in the Corporate Governance Report and forms part of Annual Report.

#### **21) DIRECTORS:**

Shri Shreyas Rameshbhai Virani (DIN: 00465240), retires at the ensuing Annual General Meeting of the Company pursuant to provision of section 152(6) of the Companies Act, 2013 and being eligible offer himself for re-appointment. The Board of Directors of the Company at its meeting held on 13<sup>th</sup> August, 2018 has re-appointed Shri Shreyas R. Virani, as whole-Time Director of the Company w.e.f 30<sup>th</sup> September, 2018 for a further period of 5 years i.e. upto 29<sup>th</sup> September, 2023 and as per requirement of section 196(4) of the Companies Act, 2013, Board proposes before the Members at the ensuing Annual General Meeting to approve the said terms of appointment including remuneration.

#### **22) DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary Declaration from each Independent Director under section 149(7) of the Companies Act, 2013 that he/she meets with the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013.

#### **23) POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors, qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Nomination & Remuneration policy and disclosed in the website of the Company.

#### **24) BOARD EVALUATION:**

As per Companies Act, 2013 Board has made annual evaluation of its own performance and also of its committees and Individual Directors. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

#### **25) COMMITTEES OF THE BOARD:**

At present the Company is having 5 (Five) Committees as mentioned below:

- AUDIT COMMITTEE:

The Company has an adequately qualified Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR)

Regulations, 2015, The details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

- **NOMINATION AND REMUNERATION COMMITTEE:**

The Company has also constituted Nomination and Remuneration Committee Pursuant to provision of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, and the details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

- **STAKEHOLDERS RELATONSHIP COMMITTEE:**

To consider and resolve the Grievances of Stakeholders, the Company has framed Stakeholders Relationship Committee in accordance with the provision of section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, and the details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

- **CORPORATE SOCIAL RESOPONSIBILIY COMMITTEE:**

The Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. The Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of the Company and the details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

- **RISK MANAGEMENT COMMITTEE**

The Company has framed Risk Management Committee which mainly aims at Identification of Risk level at various stages of Business operation/ activities and to manage the Risk and evaluation of RMS i.e Risk Management System. The details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

## **26) DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement as enumerated under:-

- (a) In the preparation of the annual accounts, the applicable Indian accounting standards had been followed;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **27) STATEMENT FOR COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:**

We the Directors of the Company hereby states the Company has complied all applicable Secretarial Standards to the extend its applicable.

## **28) AUDITORS AND AUDITORS' REPORT:**

### **STATUTORY AUDITORS**

Pursuant to provision of section 139 of the Companies Act, 2013, in 30<sup>th</sup> Annual General Meeting convened on 19<sup>th</sup> September, 2017, M/s. J.A. Sheth & Associates, (FRN: 119980W), Chartered Accountants have been appointed as Statutory Auditor of the Company to hold office for 2017-18 till the conclusion of Annual General Meeting of the Financial year 2021-22, Subject to ratification by the Shareholders annually. However, as per Companies Amendment Act, 2017 now appointment of Statutory Auditor is not required to be ratified by the Shareholders at every Annual General Meeting and as such Board recommends to appoint M/s. J.A. Sheth & Associates, as Statutory Auditors of the Company to carry out statutory audit for a consecutive period of Four years i.e. for the year 2018-19 till the conclusion of the Annual General Meeting concerning of the financial year 2021-22.

### **STATUTORY AUDITORS' REPORT:**

The observations of Auditor in his report read with the relevant note to accounts in schedule are self-explanatory and do not require further explanation. The Audit Report does not contain any qualification, reservation or adverse remark.

### **SECRETARIAL AUDITOR:**

Pursuant to Provision of section 204(1) of the Companies Act, 2013, the Board has appointed M/s. K. P. Rachchh & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18.

### **SECRETARIAL AUDITORS' REPORT:**

The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith to this Report. The qualifications put up in the Secretarial Audit Report are self-explanatory. Secretarial Auditors Report in the prescribed format i.e. MR-3 is attached in this report as Annexure 04.

## **29) CORPORATE SOCIAL RESPONSIBILITY:**

The Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. The Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of the Company.

In this year company has made profit and CSR is not applicable to company under section 135 of the Companies Act, 2013 and fluctuations in the profitability of the Company no CSR activities was carried out during last year.

### **30) CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 05 attached to this report.

### **31 ) EXTRACT OF ANNUAL RETURN:**

The extracts of Annual Return as provided under Section 134(3)(a) and sub-section (3) of section 92 read with Rule 12(1) of the Companies (Management and administration) Rules, 2014 is furnished in Annexure 06 and is attached to this Report.

### **32) WHISTLE BLOWER POLICY (VIGIL MECHANISM):**

The Company has in place a whistleblower policy, to support the Code of Business Ethics. This policy documents includes the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of Business Ethics at a significantly senior level without fear of intimidation or retaliation. The said policy is placed on the website of the company.

### **ACKNOWLEDGMENT:**

Your Directors wish to place on record their sincere appreciation for the continued cooperation, guidance, support and assistance received during the year under report by our Bankers, all the customers, suppliers of the Company including Government agencies. The Board of Directors also wishes to express its appreciation for the efforts and contribution made by the employees at all levels during the year under report.

Place: Rajkot

Date: 13<sup>th</sup> August, 2018

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

### **ANNEXURE -01**

#### **BRIEF PROFILE OF THE DIRECTOR SEEKING RE APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING:**

Name of Director	Shri Shreyas Rameshbhai Virani
DIN:	00465240
Date of Birth	09-03-1970
Date of Appointment	14-04-2007
Expertise in Specific functional area	Financial & Administration
Experience	26 Years
List of public companies in which Directorship held	NIL

Chairman/Member of the committees	Chairman- 1 Member- in 4 Committees
Chairman/Member of the committees of Directors of other Companies	--

## ANNEXURE -02

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of Contracts/arrangements/transactions	Amount
1	Rameshbhai D. Virani	KMP	Directors Salary & Perks	11,61,552
			Loan Accepted	0
			Loan Repaid	0
2	Shreyasbhai R. Virani	KMP	Directors Salary & Perks	10,55,964
			Loan Accepted	45,00,000
			Loan Repaid	34,60,000

Note: Date of approval by the Board for aforesaid transactions is 28-04-2017.

Place: Rajkot

Date: 13<sup>th</sup> August, 2018

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

## ANNEXURE -03

### PARTICULARS OF EMPLOYEES/REMUNERATION

The information required under section 197 of the act and rules made there-under, in respect of employees of the company, is follows:-

- (a) The ratio of remuneration of each director to the median remuneration of employees for the financial year; (total directors remuneration is of Rs. 22,17,516.00 and total other employees remuneration 4,74,942.00)

- (b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, Manager if any, in the financial year;

There is No increase in remuneration of Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary.

- (c) The percentage increase in the median remuneration of employees in the financial year:

Approximately 20%

- (d) The number of permanent employees on the rolls of the Company:

04

- (e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exceptional circumstances for increase in the managerial remuneration:

Average Percentile increase in the salaries of Employees: Approximate 13%

There is no increase in the Managerial Remuneration and as such no comparison is required.

- (f) The key parameters for any variable component of remuneration availed by directors:

NIL

- (j) Affirmation that the remuneration is as per the policy of the company:

The Company's remuneration policy is driven by the success and performance of the individual employees and the company. The Company affirms remuneration is as per the remuneration policy of the company.

**Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 r.w Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

S r . N o .	Employee Name	Designa tion	Educatio nal Qualificat ion	Age	Experi ence (In Years)	Date of joining	Gross Remune ration Paid (For the year 17- 18)	Previo us emplo yment	Relati ve of any direct or/ Manag er (yes/n o) if yes then name of such direct

									<b>or and Manag er</b>
1	Rameshku mar D. Virani	Chairma n & Managin g Director	Diploma Holder In Business Studies	74	36	14/01/2 005	1161552 .00	Mahin dra SAR Trans missio n Pvt. Ltd.	Father Of Shreya s Virani
2	Shreyas Virani	Whole Time Director	B.Com	48	26	14/04/2 007	1055964 .00	Mahin dra SAR Trans missio n Pvt. Ltd.	Son Of Rames h Virani
3	Skaria Chacko	DGM – Sales	B.Com	43	16	01/06/2 016	339403. 00	Mahin dra SAR Trans missio n Pvt. Ltd.	--
4	Rameshbh ai Virsodiya	DGM – Adminis tration	B.Com	53	21	01/09/2 013	135539. 00	Mahin dra SAR Trans missio n Pvt. Ltd.	--

Place: Rajkot

Date: 13<sup>th</sup> August, 2018

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
 No. 9 of the Companies (Appointment and Remuneration Personnel)  
 Rules, 2014]*

To,  
 The Members,  
 SAR AUTO PRODUCTS LIMITED  
 50-E, Bhaktinagar Inds Estate,  
 Rajkot.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SAR AUTO PRODUCTS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Sar Auto Products Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sar Auto Products Limited for the financial year ended on 31<sup>st</sup> March, 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, transfer and transmission of shares.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable** as the Company has not issued any Capital during the year under review.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (

Share Based Employee Benefits) Regulations, 2014; **Not Applicable** as the company has not made any ESOP.

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable** as the company has not issued any debt securities.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable** as the company has not processed any buy back of its securities.

(vi) The Company has identified the following laws as specifically applicable to the Company:

The Environment (Protection) Act, 1986

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements as per SEBI (Listing of Obligations and Disclosure Requirement) Regulations, 2015 entered into by the Company with Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except the Composition of Nomination and Remuneration Committee. No changes took place in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. There were no dissenting views on any matter.

**We further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the respective Heads of Departments of the company. We are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

For: K. P. Rachchh & Co.  
Company Secretaries

Place : Rajkot  
Date : 13<sup>th</sup> August, 2018

Signature: \_\_\_\_\_  
Kalpesh P. Rachchh  
Proprietor  
FCS No.5156  
C P No.: 3974

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members  
SAR AUTO PRODUCTS LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.
3. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For: K. P. Rachchh & Co.  
Company Secretaries

Place : Rajkot  
Date : 13<sup>th</sup> August, 2018

Kalpesh P. Rachchh  
Proprietor  
FCS No. : 5156  
C P No.: 3974

**ANNEXURE 05**

### **CONSERVATION OF ENERGY, RESERARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EARNING & OUTGO.**

#### **A. CONSERVATION OF ENERGY:**

- (i) The steps taken or impact on conservation of energy: None.
- (ii) The steps taken by the company for utilising alternate sources of energy: None.
- (iii) The capital investment on energy conservation equipments: None.

#### **Total Energy Consumption and Energy Consumption**

<b>A. Power &amp; Fuel Consumption</b>		
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
<b>a) Electricity</b>		
Purchased (KWH)	314326	236486
Total Amount (Rs. In Lacs)	2306604.02	1700989.88
Average Rate Rs.	7.34 / Units	7.19 / Units
<b>b) Coal</b>		
Quantity (MT)	0.00	0.00
Total Amount (Rs. In Lacs)	0.00	0.00
Average Rate Rs.	0.00	0.00
<b>c) Furnance Oil</b>	0.00	0.00
Quantity (MT)	0.00	0.00
Total Amount (Rs. In Lacs)	0.00	0.00
Average Rate Rs.	0.00	0.00

#### **B. TECHNOLOGY ABSORPTION:**

- (i) The efforts made towards technology absorption: None.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitutions: None.
- (iii) The company has not any imported technology.
- (iv) The expenditure incurred on Research and Development: None.

#### **C. FOREIGN EXCHANGE EARNING AND OUTGO:**

- (i) Total foreign Exchange Earnings during the year: Rs. 34,02,457
- (ii) Total foreign Exchange outgo during the year: Rs. 8,25,927

Place: Rajkot  
Date: 13<sup>th</sup> August, 2018

For and on Behalf of  
Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2018  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

Sr. No.	Particulars	Particulars
i)	CIN	L34100GJ1987PLC010088
ii)	Registration Date	27-10-1987
iii)	Name of the Company	SAR AUTO PRODUCTS LIMITEED
iv)	Category/Sub Category of the Company	PUBLIC COMPANY LIMITED BY SHARES & INDIAN NON- GOVERNMENT COMPANY
v)	Address of the Registered office and Contact Details	50-E, BHAKTINAGAR INDS ESTATE, RAJKOT-360002 Ph: 0281- 2374726 Fax: +912812376806 Email: sapl@sarautoproductsltd.com
vi)	Whether Listed Company: Yes/No	YES
vii)	Name, Address and Contact Details of Registrar and Transfer Agent ,if any	LINK INTIME INDIA PRIVATE LIMITED 5 <sup>th</sup> Floor, 506-508,Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C.G. Road, Navrangpura, Ahemdabad-380006 Ph: 079-26465179 Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the Business activities Contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product/Services	% of total turnover of the Company
1	Manufacturing of Parts and Accessories of Bodies for Motor Vehicles	29302	74.76%
2	Construction Activity	4100	25.24%

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL					

### IV. SHAREHOLDING PATTERN

(Equity share Capital Breakup as Percentage of Total Equity)

#### i) Category Wise Holding

Category of	No. of Shares at the Beginning of the Year				No. of Shares at the end of the year				% change during the year
Shareholders	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual /HUF	3311735	100	3311835	69.5072	3354735	0	3354735	70.4075	0.9003
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
c) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0
f) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub-Total (A)(1)	3311735	100	3311835	69.5072	3354735	0	3354735	70.4075	0.9003
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0
e) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub-Total									
(A)(2):-	0	0	0	0.00	0	0	0	0.00	0

Total Shareholding of Promoter									
(A)= (A)(1) + (A)(2)	3311735	100	3311835	69.5072	3354735	0	3354735	70.4075	0.9003
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	220417	0	220417	4.6260	220417	0	220417	4.6260	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
d) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIs	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others	0	0	0	0.00	0	0	0	0.00	0
(Specify)									
Sub Total(B)(1):-	220417	0	220417	4.6260	220417	0	220417	4.6260	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	259930	1000	260930	5.4763	194323	1000	195323	4.0993	-1.3770
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual Shareholders holding nominal share Capital upto Rs. 1.00 Lacs	34745	21399	56144	1.1783	28758	21299	50057	1.0506	-0.1277
ii) Individual Shareholders holding nominal share Capital in excess of Rs. 1.00 Lacs	609343	108001	717344	15.0552	744843	1	744844	15.6324	0.5772
c) Others (Specify)									
- HUF	552	0	552	0.0116	656	0	656	0.0138	0.0022
- NRI (Non Repat)	0	0	0	0.00	1006	0	1006	0.0211	0.0211
- NRI (Repat)	196989	0	196989	4.1343	196989	0	196989	4.1343	0.00
- Clearing Member	529	0	529	0.0111	713	0	713	0.0150	0.0039
Sub Total (B)(2):-	1102088	130400	1232488	25.8668	1167288	22300	1189588	24.9665	-0.9003

Total Public Shareholding									
(B)=(B)(1)+	1322505	130400	1452905	30.4928	1387705	22300	1410005	29.5925	-0.9003
(B)(2)									
C. Shares Held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
GrandTotal	4634240	130500	4764740	100.00	4742440	22300	4764740	100.00	0.00
(A+B+C)									

## ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			No. of shares at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	RAJSHREE R. VIRANI	872510	18.3118	0	872510	18.3118	0	0.0000
2	RAMESHBHAI D. VIRANI	986480	20.7038	0	1094480	22.9704	0	2.2666
3	URVI S. VIRANI	824100	17.2958	0	824100	17.2958	0	0.0000
4	SHREYAS VIRANI	628645	13.1937	0	563645	11.8295	0	-1.3642
5	V.R. RUPANI	100	0.0021	0	0	0.00	0	-0.0021
	Total	3311835	69.5072	0	3354735	70.4075	0	0.9003

## iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoter Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	SHREYAS VIRANI				
	At the Beginning of the year	628645	13.1937	628645	13.1937
	Less: Sale/Transfer of shares on 06-10-2017	(10000)	0.2099	618645	12.9838
	Less: Sale/Transfer of shares on 01-12-2017	(17000)	0.3568	601645	12.6270
	Less: Sale/Transfer of shares on 19-01-2018	(18000)	0.3777	583645	12.2493
	Less: Sale/Transfer of shares on 02-03-2018	(20000)	0.4198	563645	11.8295
	At the End of the Year	563645	11.8295	563645	11.8295

Sr. No.	Name of Promoter Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	RAMESHBHAI D. VIRANI				
	At the Beginning of the year	986480	20.7038	986480	20.7038
	Add: Purchase/Transfer of shares on 02-03-2018	108000	2.2666	1094480	22.9704
	At the End of the Year	1094480	22.9704	1094480	22.9704
3	VIJAYBHAI RUPANI				
	At the Beginning of the year	100	0.0021	0.0021	0.0021
	Less :due to change in Category from Promoter to Public	(100)	0.0021	0	0.0000
	At the End of the Year	0	0.0000	0	0.0000
4	RAJESHREE R VIRANI				
	At the Beginning of the year	872510	18.3118	872510	18.3118
	No changes during the year	0	0.0000	0	0.0000
	At the End of the Year	872510	18.3118	872510	18.3118
5	URVI S. VIRANI				
	At the Beginning of the year	824100	17.2958	824100	17.2958
	No changes during the year	0	0.0000	0	0.0000
	At the End of the Year	824100	17.2958	824100	17.2958

iv) <b>Shareholding Pattern of Top Ten Shareholders</b> (Other than Directors, Promoters & Holders of GDRs & ADRs)	
---	--

Sr. No.	Name of Promoter Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	PRAMOD HAPANI				
	At the Beginning of the year	226480	4.7532	226480	4.7532
	Change during the year	0	0.0000	226480	4.7532
	At the end of the year	226480	4.7532	226480	4.7532
2	GUJARAT STATE FINANCIAL INSTITUTION				
	At the Beginning of the year	220417	4.6260	220417	4.6260
	Changes During the year	0	0	220417	4.6260
	At the end of the year	220417	4.6260	220417	4.6260

3	TEJAS HAPANI				
	At the Beginning of the year	202131	4.2422	202131	4.2422
	Changes During the year	0	0.0000	202131	4.2422
	At the end of the year	202131	4.2422	202131	4.2422
4	CHIRAG RAJENDRABHAI KOTHARI				
	At the Beginning of the year	196984	4.1342	196984	4.1342
	Changes During the year	0	0.0000	196984	4.1342
	At the end of the year	196984	4.1342	196984	4.1342
5	MATALIA STOCK BROKING PVT LTD.				
	At the Beginning of the year	247768	5.2000	247768	5.2000
	Add: Purchase/Transfer on 07-04-2017	41	0.0009	247809	5.2009
	Add: Purchase/Transfer on 16-06-2017	10	0.0002	247819	5.2011
	Add: Purchase/Transfer on 25-08-2017	130	0.0027	247949	5.2038
	Less:Sale/Transfer on 01-09-2017	(39680)	0.8328	208269	4.3710
	Less:Sale/Transfer on 08-09-2017	(8763)	0.1839	199506	4.1871
	Less:Sale/Transfer on 15-09-2017	(540)	0.0113	198966	4.1758
	Add: Purchase/Transfer on 29-09-2017	220	0.0046	199186	4.1804
	Add: Purchase/Transfer on 06-10-2017	10315	0.2165	209501	4.3969
	Less:Sale/Transfer on 13-10-2017	(13709)	0.2877	195792	4.1092
	Add: Purchase/Transfer on 20-10-2017	65	0.0013	195857	4.1105
	Add: Purchase/Transfer on 27-10-2017	90	0.0019	195947	4.1124
	Add: Purchase/Transfer on 03-11-2017	313	0.0066	196260	4.1190
	Add: Purchase/Transfer on 10-11-2017	174	0.0037	196434	4.1227
	Less:Sale/Transfer on 17-11-2017	(16311)	0.3423	180123	3.7804
	Add: Purchase/Transfer on 24-11-2017	214	0.0044	180337	3.7848
	Add: Purchase/Transfer on 01-12-2017	16106	0.3380	196443	4.1228
	Add: Purchase/Transfer on 08-12-2017	1259	0.0264	197702	4.1493
	Less:Sale/Transfer on 15-12-2017	(14081)	0.2955	183621	3.8538
	Add: Purchase/Transfer on 22-12-2017	10	0.0002	183631	3.8540
	Less:Sale/Transfer on 29-12-2017	(100)	0.0021	183531	3.8519
	Add: Purchase/Transfer on 05-01-2018	6	0.0001	183537	3.8520
	Less:Sale/Transfer on 12-01-2018	(257)	0.0054	183280	3.8466

	Add: Purchase/Transfer on 19-01-2018	112	0.0023	183392	3.8489
	Add: Purchase/Transfer on 26-01-2018	248	0.0052	183640	3.8541
	Add: Purchase/Transfer on 02-02-2018	307	0.0065	183947	3.8606
	Add: Purchase/Transfer on 09-02-2018	482	0.0101	184429	3.8706
	Add: Purchase/Transfer on 16-02-2018	413	0.0088	184842	3.8794
	Add: Purchase/Transfer on 23-02-2018	311	0.0065	185153	3.8858
	Add: Purchase/Transfer on 02-03-2018	476	0.0099	185629	3.8959
	Less:Sale/Transfer on 09-03-2018	(3033)	0.0637	182596	3.8322
	Add: Purchase/Transfer on 16-03-2018	261	0.0055	182857	3.8377
	Add: Purchase/Transfer on 23-03-2018	78	0.0016	182935	3.8393
	Add: Purchase/Transfer on 31-03-2018	125	0.0027	183060	3.8420
	At the end of the year	183060	3.8420	183060	3.8420
6	HARSHAHAPANI				
	At the Beginning of the year	113920	2.3909	113920	2.3909
	Change during the year	0	0.00	113920	2.3909
	At the end of the year	113920	2.3909	113920	2.3909
7	RAJENDRA HIRALAL KOTHARI				
	At the Beginning of the year	0	0.0000	0	0.0000
	Add: Purchase/Transfer on 08-09-2017	25500	0.5352	25500	0.5352
	Add: Purchase/Transfer on 09-02-2018	28300	0.5939	53800	1.1291
	Add: Purchase/Transfer on 23-03-2018	23100	0.4848	76900	1.6139
	At the end of the Year	76900	1.6139	76900	1.6139
8	MINAL RAJENDRABHAI KOTHARI				
	At the Beginning of the year	0	0.000	0	0.0000
	Add: Purchase/Transfer on 08-09-2017	23500	0.4932	23500	0.4932
	Add: Purchase/Transfer on 09-02-2018	35100	0.7367	58600	1.2299
	At the end of the year	58600	1.2299	58600	1.2299
9	SKARIA CHACKO KOLASSERIL				
	At the Beginning of the year	50251	1.0546	50251	1.0546
	Changes during the year	0	0.0000	0	0.0000
	At the end of the year	50251	1.0546	50251	1.0546

10	CHINTANHARESHBHAI SODHA				
	At the Beginning of the year	16562	0.3476	16562	0.3476
	Changes during the year	0	0.0000	16562	0.3476
	At the end of the year	16562	0.3476	16562	0.3476
11	CHARMI SANGHAVI				
	At the Beginning of the year	42000	0.8815	42000	0.8815
	Less: Sale/Transfer during the year 02-03-2018	(42000)	0.8815	0	0.0000
	At the end of the year	0	0.0000	0	0.0000
12	RAMESHBHAI B. SANGHAVI				
	At the Beginning of the year	42000	0.8815	42000	0.8815
	Less: Sale/Transfer during the year 02-03-2018	(42000)	0.8815	0	0.0000
	At the end of the year	0	0.0000	0	0.0000
13	RAMESHBHAI SANGHAVI				
	At the Beginning of the year	24000	0.5037	24000	0.5037
	Less: Sale/Transfer during the year 02-03-2018	(24000)	0.5037	0	0.0000
	At the end of the year	0	0.0000	0	0.0000

**v) Shareholding of Directors and Key Managerial Personnels**

Sr. No.	Name of Promoter Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	RAMESHBHAI D. VIRANI				
	At the Beginning of the year	986480	20.7038	986480	20.7038
	Add: Purchase/Transfer of shares on 02-03-2018	108000	2.2666	1094480	22.9704
	At the End of the Year	1094480	22.9704	1094480	22.9704
2	SHREYAS VIRANI				
	At the Beginning of the year	628645	13.1937	628645	13.1937
	Less: Sale/Transfer of shares on 06-10-2017	(10000)	0.2099	618645	12.9838
	Less: Sale/Transfer of shares on 01-12-2017	(17000)	0.3568	601645	12.6270

	Less: Sale/Transfer of shares on 19-01-2018	(18000)	0.3777	583645	12.2493
	Less: Sale/Transfer of shares on 02-03-2018	(20000)	0.4198	563645	11.8295
	At the End of the Year	563645	11.8295	563645	11.8295
3	Issacthomas C. Kavunkal				
	At the Beginning of the year	0	0.0000	0	0.0000
	Changes during the year	0	0.0000	0	0.0000
	At the End of the year	0	0.0000	0	0.0000
4	Mrs. Aarti C. Sodha				
	At the Beginning of the year	0	0.0000	0	0.0000
	Changes during the year	0	0.0000	0	0.0000
	At the End of the year	0	0.0000	0	0.0000
5	Ronak M. Khanvani(CS -KMP)				
	At the Beginning of the year	0	0.0000	0	0.0000
	Changes during the year	0	0.0000	0	0.0000
	At the End of the year	0	0.0000	0	0.0000

#### V. **INDEBTEDNESS**

Indebtedness of the Company including Interest outstanding/accrued but not due for

	Secured Loan excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year</b>				
i) Principal Amount	14,29,750	48,00,000	0.00	62,29,750
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>14,29,750</b>	<b>48,00,000</b>	<b>00.00</b>	<b>62,29,750</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0.00	48,78,292	0.00	48,78,292
Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	<b>0.00</b>	<b>48,78,292</b>	<b>0.00</b>	<b>48,78,292</b>

<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14,29,750	96,78,292	0.00	1,11,08,042
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>14,29,750</b>	<b>96,78,292</b>	<b>0.00</b>	<b>1,11,08,042</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-Time Director and/ or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		RameshKumar D. Virani Managing Director (1)	Shreyas R. Virani Whole - Time Director(2)	
1	Gross Salary			
	(a) Salary as per Provisions contained in Section 17(1) of the of the Income Tax Act, 1961	1161552.00	1055964.00	2217516.00
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of Salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	- As % of Profit			
	- Others, Specify			
5	Others,	0.00	0.00	0.00

	Please Specify			
	Total (A)	1161552.00	1055964.00	2217516.00
	Ceiling as per ACT			84.00 Lacs

**B. Remuneration to Other Directors**

Sr. No.	Particulars of Remuneration	Name of Director		Total Amount
		Issacthomas C. Kavunkal (1)	Aarti C. Sodha (2)	
1	Independent Directors	0.00	0.00	0.00
	Fees for attending Board Committee Meetings	0.00	0.00	0.00
	Commission	0.00	0.00	0.00
	Others, Please Specify	0.00	0.00	0.00
	Total (1)	0.00	0.00	0.00
2	Others for Non-Executive Directors	0.00	0.00	0.00
	Fees for attending Board Committee Meetings	0.00	0.00	0.00
	Commission	0.00	0.00	0.00
	Others, Please Specify	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00
	Total (B)=(1) +(2)	0.00	0.00	0.00
	Total Managerial Remuneration	0.00	0.00	0.00
	Overall Ceiling as per the Act	N.A. as not given	N.A. as not given	N.A. as not given

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Rameshkumar D. Virani CEO	Shreyas R. Virani CFO	
1	Gross Salary	0.00	0.00	0.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	- As % of Profit - Others, Specify			
5	Others, Please Specify	0.00	0.00	0.00
	Total	0.00	0.00	0.00

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for the year ending March 31, 2018

Place: Rajkot

Date: 13<sup>th</sup> August, 2018

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
**SAR AUTO PRODUCTS LIMITED**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **SAR AUTO PRODUCTS LIMITED** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In Our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018 and its Profit (financial performance) including other comprehensive income, its Cash Flow Statement and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" the statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, We further report that:
  - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - C. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
  - D. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015.
  - E. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director under sub-section (2) of Section 164 of the Act.
  - F. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"

G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- I. The Company does not have any pending litigations which would impact its financial position.
- II. The Company did not have any long-term contracts including derivative contracts for which there requires commenting on any material foreseeable losses.
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration Number - 119980W)

Jingal A. Sheth  
Proprietor  
(Membership No.107067)

Rajkot, 29<sup>th</sup> May, 2018

**Annexure A To The Independent Auditors' Report**

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date)

On the basis of the records produced to us for verification/perusal, such checks as we considered appropriate, and in terms of information and explanations given to us on our enquiries, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information & explanation given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed / conveyance deed and other relevant records evidencing title provided to us, we report that, the title deeds, comprising the immovable properties of land and building which are free hold are held in the name of the company as at the Balance Sheet date.
- (ii) According to the information and explanation given to us, the inventory has been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, during the period covered under report, the Company has not granted any secured or unsecured loan to parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of goods manufactured by the Company. According to the information and explanations given to us, The Companies (Cost Records & Audit) amendment Rules, 2014 is not applicable to the company.

- (vii) In respect of statutory dues;
- (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employee Provident Fund, ESIC, Income Tax, Sales Tax, Value Added Tax, Service Tax, Excise Duty, Cess and other material statutory dues apart from few cases of delay in payment of tax deducted at source, Sales Tax, Value Added Tax, Service Tax, Excise Duty, Goods and Service Tax, Cess and other material statutory dues.
- (b) According to the information and explanations given to us, there are no dues in respect of Provident Fund, ESIC, Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax, cess and any other material dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they become payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan either to banks, financial institutions or from the government and has not issued any debentures. The Company is enjoying Bill Discounting facilities from the Bank which is being timely honored by the company.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) In our opinion and according to the information and explanations given to us, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order is not applicable to the Company and hence not commented upon.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3 (xv) of the Order is not applicable to the Company and hence not commented upon.

- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3 (xvi) of the Order is not applicable to the Company and hence not commented upon.

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration Number - 119980W)

Jingal A. Sheth  
Proprietor  
(Membership No.107067)

Rajkot, 29<sup>th</sup> May, 2018

**"Annexure B" to the Independent Auditor's Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SAR AUTO PRODUCTS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. we have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration Number - 119980W)

Jingal A. Sheth  
Proprietor  
(Membership No.107067)

Rajkot, 29<sup>th</sup> May, 2018

**SAR AUTO PRODUCTS LIMITED**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018**

[Figures in ₹]

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	3	6,95,59,853	5,20,55,745	3,19,58,786
Financial Assets				
Investments	4	3,050	3,050	3,050
Loans	6	25,000	25,000	25,000
Defferread tax assets	7	21,12,569	20,96,672	11,20,490
Other non-current assets	10	7,33,851	6,34,351	6,34,351
		<b>7,24,34,323</b>	<b>5,48,14,818</b>	<b>3,37,41,677</b>
<b>CURRENT ASSETS</b>				
Inventories	11	1,52,66,891	2,61,56,330	1,94,87,518
Financial Assets				
Investments	12	18,17,501	19,33,572	4,03,128
Trade receivables	5	1,82,83,245	1,73,96,970	1,33,06,130
Cash and cash equivalents	13	2,96,87,768	1,91,52,406	1,49,59,474
Bank Balance other than Cash and Cash equivalents	14	1,34,26,734	-	-
Loans	6	8,27,830	1,37,87,135	5,18,73,299
Others	8	59,44,439	21,41,665	37,28,359
Current tax asset	9	1,52,198	10,13,359	10,13,359
Other current assets	10	27,69,318	30,83,307	25,96,695
		<b>8,81,75,924</b>	<b>8,46,64,743</b>	<b>10,73,67,962</b>
<b>Total Assets</b>		<b>16,06,10,247</b>	<b>13,94,79,561</b>	<b>14,11,09,639</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	15	4,76,47,400	4,76,47,400	4,76,47,400
Other Equity	16	8,07,09,182	7,90,86,438	7,60,22,131
		<b>12,83,56,582</b>	<b>12,67,33,838</b>	<b>12,36,69,531</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities				
Borrowings	17	14,29,750	14,29,750	14,29,750
Provisions	20	3,86,932	3,56,974	2,98,628
		<b>18,16,682</b>	<b>17,86,724</b>	<b>17,28,378</b>
<b>CURRENT LIABILITIES</b>				
Financial liabilities				
Borrowings	17	96,78,292	48,00,000	80,03,660
Trade payables	18	1,88,40,914	33,85,669	53,52,022
Other financial liabilities	19	96,788	96,788	96,788
Other current liabilities	22	11,07,508	19,05,304	18,33,321
Provisions	20	5,19,303	4,72,931	4,25,939
Current tax liability	21	1,94,178	2,98,307	-
		<b>3,04,36,983</b>	<b>1,09,58,999</b>	<b>1,57,11,730</b>
<b>Total Equity and Liabilities</b>		<b>16,06,10,247</b>	<b>13,94,79,561</b>	<b>14,11,09,639</b>

See accompanying Statement on Significant accounting policies & Notes to Accounts

As per our Report of even date

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration No. 119980W)

For & on behalf of Board of Directors,

Jingal A. Sheth  
Proprietor  
(Membership No.107067)

Ramesh D. Virani  
Managing Director  
Din: 00313236

Shreyas R. Virani  
Whole-time Director  
Din: 00465240

Ronak M. Khanvani  
Secretary

Rajkot, dated 29<sup>th</sup> May, 2018

56

Rajkot, dated 29<sup>th</sup> May, 2018

# SAR AUTO PRODUCTS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDING ON 31<sup>ST</sup> MARCH, 2018

[Figures in ₹]

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>INCOME</b>			
Revenue from operations	23	6,95,10,070	5,66,85,181
Other income	24	31,93,627	23,62,731
Total Income		7,27,03,697	5,90,47,912
<b>EXPENSES</b>			
Cost of material consumed	25	1,82,74,836	1,12,44,816
Cost of Development and Construction		12,83,651	91,64,949
Changes in inventories of finished goods, Stock-in-Trade and work-inprogress	26	(32,73,836)	28,31,999
Changes in inventories of Constructed Properties		1,46,10,706	(91,64,949)
Excise duty on sale of product		11,91,471	59,54,751
Employee benefits expense	27	31,90,737	31,26,154
Finance costs	28	7,20,808	4,28,378
Depreciation and amortization expense	3	1,21,27,945	1,12,05,931
Other expenses	29	2,25,90,438	2,16,96,143
Total Expenses		7,07,16,756	5,64,88,172
Profit/(loss) before tax		19,86,940	25,59,740
Tax expenses			
Current tax		4,00,000	5,30,000
Deferred tax		3,62,901	(4,66,182)
MAT Credit Entitlement		(3,78,798)	(5,10,000)
Profit/(loss) for the period		16,02,837	30,05,922
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(68,641)	8,566
Equity instruments through other comprehensive income			
Remeasurement of Defined benefit Plans		88,548	49,820
Total other comprehensive income		19,907	58,386
Total comprehensive income		16,22,744	30,64,308
Earning per share (for continuing operations)			
Basic		0.34	0.64
Diluted		0.34	0.64

See accompanying Statement on Significant accounting policies & Notes to Accounts

As per our Report of even date

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration No. 119980W)

For & on behalf of the Board of Directors,

Jingal A. Sheth  
Proprietor  
(Membership No.107067)

Ramesh D. Virani  
Managing Director  
Din: 00313236

Shreyas R. Virani  
Whole-time Director  
Din: 00465240

Ronak M. Khanvani  
Secretary

Rajkot, Dated 29<sup>th</sup> May, 2018

Rajkot, Dated 29th May, 2018

SAR AUTO PRODUCTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

[Figures in ₹]

Particulars		As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
A.	Cash Flow From Operating Activities		
	Profit / (Loss) Before Tax	19,86,940	25,59,740
	Adjustments for:		
	Depreciation and Amortization Expenses	1,21,27,945	1,12,05,931
	Finance Costs	7,20,808	4,28,378
	Interest Income	(21,21,497)	(23,27,730)
	Provision for Diminution in Current Investment	-	44,100
	Net Gain/(Loss) arising on financial asset designated as at FVTPL	(79,830)	28,492
	Remeasurement of Defined benefit Plans	88,548	49,820
	Profit or Loss on Sale of Assets	5,46,240	(35,000)
	Operating Profit/ (Loss) before Working Capital Changes	1,32,69,154	1,19,53,731
	Changes In:		
	Movement in Trade & Other Receivables	(8,86,275)	(40,90,840)
	Movement in Loans and Advances	1,29,59,305	3,80,89,784
	Movement in Inventory	1,08,89,439	(66,68,812)
	Movement in Other Current Asset	(29,35,399)	11,00,083
	Movement in Trade & Other Payable	1,54,55,245	(19,66,353)
	Movement in Other Current Liability	(7,97,796)	71,983
	Movement in Provision	76,330	1,05,338
	Cash Generated From Operations	4,80,30,004	3,85,94,913
	Direct Taxes Paid (Net of Refunds)	(1,85,165)	(2,99,340)
	Net Cash flow from Operating Activities [A]	4,78,44,839	3,82,95,573
B.	Cash Flow from Investing Activities		
	Movement in Current Investments	1,16,071	(15,30,445)
	Purchase of Fixed Assets	(3,05,78,293)	(3,13,02,890)
	Sale of Fixed Assets	4,00,000	35,000
	Movement in Other Non Current Asset	(99,500)	-
	Movement in Fixed Deposits	(2,20,11,583)	(1,22,534)
	Net Cash flow from Investing Activities [B]	(5,21,73,304)	(3,29,20,869)
C.	Cash Flow from Financing Activities		
	Movement in Short Term Borrowings	48,78,292	(32,03,660)
	Finance Costs Paid	(7,20,808)	(4,28,378)
	Interest Received	21,21,497	23,27,730
	Net Cash flow from Financing Activities [C]	62,78,981	(13,04,308)
	Net Increase/ (Decrease) in Cash and Cash Equivalents [A+B+C]	19,50,515	40,70,397
	Opening Balance of Cash and Cash Equivalents	1,17,48,129	76,77,732
	Closing Balance of Cash and Cash Equivalents	1,36,98,644	1,17,48,129

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as set it out in Indian Accounting Standard 7 - Statement of Cash Flow.

As per our Report of even date

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration No. 119980W)

Jingal A. Sheth  
Proprietor  
(Membership No.107067)

For & on behalf of the Board of Directors,

Ramesh D. Virani  
Managing Director  
Din: 00313236

Shreyas R. Virani  
Whole-time Director  
Din: 00465240

Ronak M. Khanvani  
Secretary

**NOTE: 1****1.1 CORPORATE INFORMATION**

Sar Auto Products Limited is a company limited by shares with domicile in India. It is incorporated under the provisions of the Companies Act, 1956. The Company's main object is to manufacture gears, gear boxes and other transmission components.

The Financial statements of the company for the year ended 31<sup>st</sup> March, 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 29<sup>th</sup> May, 2018.

**1.2 BASIS OF PREPARATION****I. Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provisions of the Act as applicable.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101- First time Adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the 'Previous GAAP' for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's financial position, financial performance and cash flows is provided in Note 35(c) of the financial statement.

**II. Historical cost convention**

The financial statements have been prepared on a historical cost basis, except following:

- (i) Certain financial assets and liabilities that are measured at fair value;
- (ii) Defined benefit plans - plan assets measured at fair value.

**III. Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is Company's functional currency, and all values are rounded to the nearest except otherwise indicated.

**1.3 SIGNIFICANT ACCOUNTING POLICIES****A. Property, Plant and Equipment:****I. Recognition and measurement**

Freehold land is carried at cost and not depreciated. All other items of property, plant and equipment are measured at cost less accumulated depreciation any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Income and expenses related to the incidental operations, not necessary to the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

An Item of Property, Plant and Equipment is derecognized upon disposal when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant equipment is recognized in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 2016, measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

## **II. Subsequent Expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

## **III. Capital Work-in-Progress**

Plant and properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying asset, borrowing costs capitalized in accordance with the Company's accounting policies. Such plant and Properties are classified and capitalized to the appropriate categories of Property, Plant and Equipment when completed when ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the asset are ready for their intended use.

## **IV. Depreciation**

Depreciation is recognised so as to write off the cost of the assets (other than freehold land and Capital work in progress) less their residual values over their useful lives, using the written down value method as per the useful life prescribed in schedule II to the Companies Act, 2013. The Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimated accounted for on a prospective basis.

## **B. Intangible Assets:**

### **I. Recognition and measurement**

Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on written down value basis from the date that they are available intended use, subjected to impairment test.

### **II. Amortization**

Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 3 years.

## **C. Impairment:**

### **I. Non - financial assets**

At each balance sheet date, the Company assesses whether there is indication that any property, plant and equipment and intangible assets finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in statement of Profit and Loss.

## **D. Inventories:**

Inventories are measured at the lower of Cost and Net Realizable Value, cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location condition. In the case of manufactured inventories and work in progress, includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The Net realisable value of work in progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down value below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Constructed property includes cost of land (including development rights), external development charges, construction costs, allocated overheads, development / construction materials and other expenditure is valued at cost.

The comparison of cost and net realisable value is made on an item-by-basis.

## **E. Investments and Other Financial Assets:**

### **Classification:**

Company classifies its financial assets in the following measurement categories

- (i) Those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss), and
- (ii) Those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt or equity investments when and only when its business model for managing those assets changes.

## **Measurement**

At initial recognition, in case of a financial asset not at fair value through profit and loss, the Company measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Statement of Profit and Loss are expensed in Statement of Profit and Loss.

- a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.
- b) Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/ losses. Interest income from these financial assets is included in other income using the effective interest rate method.
- c) Fair value through profit and loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

## **Equity Instruments**

The Company measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognized in Statement of Profit and Loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gain/losses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## **Derecognition**

A financial asset is derecognized only when

- (i) The Company has transferred the rights to receive cash flows from the financial asset or
- (ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

## **F. Cash and Cash Equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## **G. Financial Liabilities:**

### **Measurement**

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the Effective Interest rate (EIR) amortization process.

## **H. Foreign Currency Translation:**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Indian Rupee (INR) is the functional and presentation currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income and expenses in the Statement of Profit and Loss, in the period in which they arise.

## **I. Revenue recognition:**

Revenue is recognized to the extent that it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into the account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

### **I. Sale of Goods**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exist regarding the amount of the consideration that will be derived from the sale of the goods.

As per the Guidance Note, the revenue is recognized on percentage of completion method and on the percentage of actual project costs incurred thereon to total estimated project cost. Provided, all of the following conditions are met at the reporting date:

1. Required critical approvals for commencement of the project have been obtained;
2. At least 25% of estimated construction and development costs (excluding land cost) has been incurred;
3. At least 25% of saleable project are is secured by the agreements to sell/ application forms (containing salient terms of the agreement to sell); and

4. At least 10% of the total revenue as per agreement to sell are realised in respect of these agreements.

## **II. Service Income**

Revenue from service related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties.

## **III. Dividend income**

Dividend income from investments is recognized when the Company's right to receive dividend is established provided it is probable that the economic benefits associated with the dividend will flow to the Company as also the amount of dividend income can be reliably measured.

## **IV. Interest income**

Interest income from the financial assets is recognized on a time basis, by reference to the principle outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

## **V. Other Income:**

- (i) Export incentives are recognized when the right to receive them as per the terms of the entitlement is established in respect of exports made.
- (ii) Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.
- (iii) Claims/Insurance Claim etc, are accounted for when no significant uncertainties are attached to their eventual receipts.

## **J. Employee benefits:**

### **Short-term obligations:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### **Provident Fund:**

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

### **Gratuity**

Incremental expenditure on gratuity for each year is arrived at as per actuarial valuation and is recognised and charged to the statement of profit and loss in the year in which employee has rendered services.

## **K. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

## **L. Income tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **M. Provisions and Contingencies:**

### **(i) Provisions**

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## **(ii) Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

## **N. Earnings per Share:**

### **(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

### **(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## **O. Exceptional items:**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

## **NOTE: 2**

### **USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

#### **a) Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

#### **b) Recognition of deferred tax liabilities**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

#### **c) Discounting of financial assets / liabilities**

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

#### **d) Provisions**

Significant estimates are involved in the determination of provisions. The Company records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. The provision for expenses is based on the best estimate required to settle the present obligation at the end of the reporting period.

Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process.

**SAR AUTO PRODUCTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2018**

[Figures in ₹]

**A EQUITY SHARE CAPITAL**

Particulars	In No.	In Rs.
<b>Balance as at 1<sup>st</sup> April, 2016</b>	<b>4,764,740</b>	<b>47,647,400</b>
Changes in equity share capital during 2016-17	-	-
<b>Balances as at 31<sup>st</sup> March, 2017</b>	<b>4,764,740</b>	<b>47,647,400</b>
Changes in equity share capital during 2017-18	-	-
<b>Balances as at 31<sup>st</sup> March, 2018</b>	<b>4,764,740</b>	<b>47,647,400</b>

**B OTHER EQUITY**

Particulars	Reserves and surplus			Other Comprehensive Income	Total
	Securities premium reserve	General Reserve	Retained earnings	FVTOCI - Equity Instrument	
<b>Balance as at 1<sup>st</sup> April, 2016</b>	<b>14,996,000</b>	<b>732,787</b>	<b>60,300,106</b>	<b>(6,762)</b>	<b>76,022,131</b>
Profit for the year	-	-	3,005,922	-	3,005,922
Other Comprehensive Income for the year, net of Income Tax	-	-	49,820	8,566	58,386
<b>Balances as at 31<sup>st</sup> March, 2017</b>	<b>14,996,000</b>	<b>732,787</b>	<b>63,355,848</b>	<b>1,803</b>	<b>79,086,438</b>
Profit for the year	-	-	1,602,837	-	1,602,837
Other Comprehensive Income for the year, net of Income Tax	-	-	88,548	(68,641)	19,907
<b>Balances as at 31<sup>st</sup> March, 2018</b>	<b>14,996,000</b>	<b>732,787</b>	<b>65,047,233</b>	<b>(66,838)</b>	<b>80,709,182</b>

As per our Report of even date

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration No. 119980W)

For & on behalf of the Board of Directors,

Jingal A. Sheth  
Proprietor  
(Membership No.107067)

Ramesh D. Virani  
Managing Director  
Din: 00313236

Shreyas R. Virani  
Whole-Time Director  
Din: 00465240

Ronak M. Khanvani  
Secretary

Rajkot, Dated 29<sup>th</sup> May, 2018

Rajkot, Dated 29<sup>th</sup> May, 2018

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**3 Property, Plant & Equipment**

[ Figures in ₹ ]

Particulars	Factory Building	Plant & Machinery	Machinery R&D	Jigs & Fixtures R&D	Furniture & Fixtures	Computer & Software	Electrical Installation	Vehicles	Total Tangible Asset
<b>Gross carrying amount:</b>									
Deemed Cost as at April 01, 2016	893,205	26,265,983	2,419,711	18,031	14,529	9,544	71,983	2,265,800	<b>31,958,786</b>
Additions	-	30,394,185	-	114,055	-	61,850	4,800	728,000	<b>31,302,890</b>
Diaposals	-	-	-	-	-	-	-	6,624	<b>6,624</b>
Gross carrying amount as at March 31, 2017	893,205	56,660,168	2,419,711	132,086	14,529	71,394	76,783	2,987,176	<b>63,255,052</b>
Additions	-	29,391,514	-	-	1,173,686	13,093	-	-	<b>30,578,293</b>
Diaposals	-	1,332,013	-	-	-	-	-	-	<b>1,332,013</b>
Gross carrying amount as at March 31, 2018	893,205	84,719,669	2,419,711	132,086	1,188,215	84,487	76,783	2,987,176	<b>92,501,332</b>
<b>Accumulated depreciation:</b>									
Balance as at April 01, 2016	-	-	-	-	-	-	-	-	-
Depreciation for the year	107,116	9,435,000	652,768	4,984	9,924	24,641	39,577	931,921	<b>11,205,931</b>
Depreciation on diaposals	-	-	-	-	-	-	-	6,624	<b>6,624</b>
Balance as at March 31, 2017	107,116	9,435,000	652,768	4,984	9,924	24,641	39,577	925,297	<b>11,199,307</b>
Depreciation for the year	94,239	10,609,071	476,317	3,604	202,407	26,151	15,327	700,829	<b>12,127,945</b>
Depreciation on diaposals	-	385,773	-	-	-	-	-	-	<b>385,773</b>
Balance as at March 31, 2018	201,355	19,658,298	1,129,085	8,588	212,331	50,792	54,904	1,626,126	<b>22,941,479</b>
<b>Net Carrying amount</b>									
As at March 31, 2018	691,850	65,061,371	1,290,626	123,498	975,884	33,695	21,879	1,361,050	<b>69,559,853</b>
As at March 31, 2017	786,089	47,225,168	1,766,943	127,102	4,605	46,753	37,206	2,061,879	<b>52,055,745</b>
As at April 01, 2016	893,205	26,265,983	2,419,711	18,031	14,529	9,544	71,983	2,265,800	<b>31,958,786</b>

**Note:**

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS i.e. April 1, 2016, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The carrying value as at April 1, 2016 amounting to ₹ 3,19,58,786 of Property, plant and equipment represents gross cost of ₹10,29,62,263 net of accumulated depreciation of ₹7,10,03,447 as at March 31, 2016.

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

[Figures in ₹]

**4 Investments**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Investments at fair value through other comprehensive income</b>			
Investments in Equity Instruments Unquoted			
Rajkot Nagrik Sahkari bank	3,050	3,050	3,050
Consortex Karl Deolic Ltd.	-	-	-
<b>Total Non-current investment</b>	3,050	3,050	3,050
Aggregate amount of quoted investments	-	-	-
Market Value of quoted investments	-	-	-
Aggregate amount of unquoted investments	3,050	3,050	3,050
Aggregate provision for diminution in value of Investments	-	-	-

**5 Trade receivables**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	18,283,245	-	17,396,970	-	13,306,130	-
Doubtful	3,937,279	-	863,922	-	4,150,219	-
	<b>22,220,524</b>	<b>-</b>	<b>18,260,892</b>	<b>-</b>	<b>17,456,349</b>	<b>-</b>
Less: Allowance for doubtful debts (Expected credit loss allowance)	(3,937,279)	-	(863,922)	-	(4,150,219)	-
<b>Total</b>	<b>18,283,245</b>	<b>-</b>	<b>17,396,970</b>	<b>-</b>	<b>13,306,130</b>	<b>-</b>

**6 Loans**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>						
Loans to others	827,830	25,000	13,787,135	25,000	51,873,299	25,000
<b>Total</b>	<b>827,830</b>	<b>25,000</b>	<b>13,787,135</b>	<b>25,000</b>	<b>51,873,299</b>	<b>25,000</b>

**7 Deferred Tax Asset**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
MAT Credit Entitlement F.Y. 2013-14	215,016	215,016	215,016
MAT Credit Entitlement F.Y. 2015-16	185,000	185,000	185,000
MAT Credit Entitlement F.Y. 2016-17	510,000	510,000	-
MAT Credit Entitlement F.Y. 2017-18	378,798	-	-
Deferred Tax Liability	823,755	1,186,656	720,474
<b>Total</b>	<b>2,112,569</b>	<b>2,096,672</b>	<b>1,120,490</b>

**8 Other financial assets**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Other financial assets</b>						
Bills Receivable	5,944,439	-	2,068,442	-	3,646,292	-
Accruals - Interest on Deposit	-	-	73,223	-	82,067	-
<b>Total</b>	<b>5,944,439</b>	<b>-</b>	<b>2,141,665</b>	<b>-</b>	<b>3,728,359</b>	<b>-</b>

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

[Figures in ₹]

**9 Current tax asset**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Income Tax A/C Receivable F.Y.2008-09	10,886	10,886	10,886
T. D. S. Receivable F. Y. 2010-11	6,320	6,320	6,320
T. D. S. Receivable F. Y. 2011-12	134,992	134,992	134,992
T. D. S. Receivable F. Y. 2014-15	-	474,188	474,188
T. D. S. Receivable F. Y. 2015-16	-	386,973	386,973
<b>Total</b>	<b>152,198</b>	<b>1,013,359</b>	<b>1,013,359</b>

**10 Other assets**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Security deposits</b>	-	733,851	-	634,351	-	634,351
<b>Balance With Government Authorities</b>	2,064,318	-	2,361,281	-	1,819,523	-
Advance to Supplier	30,000	-	138,451	-	100,000	-
Pre-Paid Expenditure	675,000	-	583,575	-	677,172	-
<b>Total</b>	<b>2,769,318</b>	<b>733,851</b>	<b>3,083,307</b>	<b>634,351</b>	<b>2,596,695</b>	<b>634,351</b>

**11 Inventories**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Raw materials	-	5,355	5,355
Work-in-progress - Machining Component	10,410,236	7,136,400	9,968,399
Work-in-progress - Business Park	2,030,706	16,641,412	7,476,463
Machinery Oil	64,652	49,260	44,726
Consumables & Tools	1,411,152	1,134,029	925,217
Packing Material	181,505	190,778	163,774
Cutters	1,168,640	999,096	903,584
<b>Total</b>	<b>15,266,891</b>	<b>26,156,330</b>	<b>19,487,518</b>

**12 Current Investments**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Number	Rupees	Number	Rupees	Number	Rupees
<b>Investments at fair value through profit or loss</b>						
<b>Investment in Mutual Fund (Quoted)</b>						
Goldman Sachs Gold Exchange Tr	600	1,647,240	600	1,567,410	-	-
<b>Total</b>		<b>1,647,240</b>		<b>1,567,410</b>		<b>-</b>
<b>Investments at fair value through other comprehensive income</b>						
Investments in Equity Instruments (Quoted)	-	-	-	-	-	-
Cura Technologies Limited	6	30	6	78	6	26
Sanraa Media Ltd	100,000	-	100,000	-	100,000	-
Clarus Finance Securities Ltd	2	44	2	24	2	30
Prabhav Industries Ltd	131,073	153,355	131,073	204,474	131,073	212,338
Scope Industries India Limit (531886)	5	-	5	-	5	-
Cistro Telelink Ltd	37,097	7,790	37,097	7,419	37,097	-
Jmd Telefilms Industries Ltd	2	43	22	66	22	50
Sky Industries Ltd	7	287	7	152	7	132
Emporis Projects Limited	82,908	-	82,908	-	82,908	-
Kgn Industries Ltd	40	72	40	68	40	62
Nivyah Infrastructur & Telecom	9,229	-	9,229	-	9,229	-
Rcl Foods Limited	1	-	1	-	1	16
Aadi Industries Ltd	1,062	-	1,062	-	1,062	2,878
Sancia Global Infraprojects Ltd	100	-	100	49	100	72
Acil Cotton Industries Ltd	40,000	-	40,000	7,200	40,000	5,600
Aadhaar Ventures India Limited	17,064	8,361	17,064	17,405	170,640	20,477
Mercator Lines	8	278	8	374	8	176
Sterling International Enterprises Ltd.	-	-	81,040	128,854	81,040	161,270
<b>Total</b>		<b>170,261</b>		<b>366,162</b>		<b>403,128</b>
<b>Total current investment</b>		<b>1,817,501</b>		<b>1,933,572</b>		<b>403,128</b>
Aggregate amount of quoted investments		1,806,312		1,954,906		404,535
Market Value of quoted investments		1,817,501		1,933,572		403,128
Aggregate amount of unquoted investments		-		-		-
Aggregate provision for diminution in value of Investments		145,385		76,744		32,644

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

[Figures in ₹]

**13 Cash and cash equivalents**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Cash and cash equivalents</b>			
Balances with banks	13,503,180	11,434,310	7,591,006
Cash on hand	195,464	313,819	86,726
Balances with bank in Term Deposit account	15,989,125	7,404,276	7,281,742
<b>Total</b>	<b>29,687,768</b>	<b>19,152,406</b>	<b>14,959,474</b>

**14 Bank balances other than cash and cash equivalents**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Bank balances other than cash and cash equivalents</b>			
Fixed Deposit (Deposit with original maturity more than 3 months but less than 12 months)	13,426,734	-	-
<b>Total</b>	<b>13,426,734</b>	<b>-</b>	<b>-</b>

**15 Equity Share capital**

**15.1 Details relating to Authorised, Subscribed, Issued & Paid up Share Capital**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	No. of shares	Amount	No. of shares	Rupees	No. of shares	Rupees
<b>Authorised Share capital</b>						
Equity shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000	10,000,000	100,000,000
<b>Issued, subscribed and paid up</b>						
Equity shares of ₹ 10 each fully paid up	4,764,740	47,647,400	4,764,740	47,647,400	4,764,740	47,647,400

**15.2** The Company has only one class of equity shares of face value of ₹ 10 each carrying one voting right for each equity share held.

In the event of the Liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of the equity shares held by the shareholders.

**15.3 Details of shareholders holding more than 5% ordinary equity shares as on Balance Sheet Date**

Name of Shareholder	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Rameshbhai D. Virani	1,094,480	22.97%	986,480	20.70%	986,480	20.70%
Rajshreeben R. Virani	872,510	18.31%	872,510	18.31%	872,510	18.31%
Shreyasbhai Virani	563,645	11.83%	628,645	13.19%	784,600	16.47%
Urviben S. Virani	824,100	17.30%	824,100	17.30%	824,100	17.30%
<b>Total no. of shares held by such shareholders</b>	<b>3,354,735</b>	<b>70.41%</b>	<b>3,311,735</b>	<b>69.51%</b>	<b>3,467,690</b>	<b>72.78%</b>
<b>Total no. of shares of the company</b>	<b>4,764,740</b>	<b>100.00%</b>	<b>4,764,740</b>	<b>100.00%</b>	<b>4,764,740</b>	<b>100.00%</b>

**16 Other Equity**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Securities Premium Account	14,996,000	14,996,000	14,996,000
General Reserve	732,787	732,787	732,787
Retained Earnings	65,047,233	63,355,848	60,300,106
Equity Instrument through Other Comprehensive Income	(66,838)	1,803	(6,762)
<b>Total</b>	<b>80,709,182</b>	<b>79,086,438</b>	<b>76,022,131</b>

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

[Figures in ₹]

**16.1 Retained earnings**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Opening Balance	63,355,848	60,300,106
Add: Profit/(loss) for the year as per Statement of Profit & Loss	1,602,837	3,005,922
Add/(Less): Remesurment of the Net Defined benefit liability/asset, net off	88,548	49,820
<b>Total</b>	<b>65,047,233</b>	<b>63,355,848</b>

**16.2 Equity Instrument through Other Comprehensive Income**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Opening Balance	1,803	(6,762)
Add/(Less): Additions/(Deletions) during the Year	(68,641)	8,566
	-	
<b>Total</b>	<b>(66,838)</b>	<b>1,803</b>

**17 Borrowings**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Secured</b>						
Loan from LIC of India (Secured against Keyman Insurance Policy of Key Management Personnel) Terms of Repayment: Total amount repayable in the year 2026 Rate of Interest is 9% per annum	-	1,429,750	-	1,429,750	-	1,429,750
	-	<b>1,429,750</b>	-	<b>1,429,750</b>	-	<b>1,429,750</b>
<b>Unsecured</b>						
From Bank	5,837,292	-	1,999,000	-	3,532,660	-
From Director	3,841,000	-	2,801,000	-	4,471,000	-
[The loans are interest free and repayable on demand]						
	<b>9,678,292</b>	-	<b>4,800,000</b>	-	<b>8,003,660</b>	-
<b>Total</b>	<b>9,678,292</b>	<b>1,429,750</b>	<b>4,800,000</b>	<b>1,429,750</b>	<b>8,003,660</b>	<b>1,429,750</b>

**18 Trade payables**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Trade payable - Micro and small enterprise*	-	-	-	-	-	-
Trade payable - Other than Micro and small enterprise	18,840,914	-	3,385,669	-	5,352,022	-
<b>Total</b>	<b>18,840,914</b>	-	<b>3,385,669</b>	-	<b>5,352,022</b>	-

The company has requested the suppliers to give information about their status as Micro, Small and Medium Enterprises as defined under the MSME Act, 2006. In the absence of this information, the Company is unable to provide the details in "Trade Payables" regarding the overdues to such Enterprises.

**19 Other financial liabilities**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Interest accrued but not due on borrowings	96,788	-	96,788	-	96,788	-
<b>Total</b>	<b>96,788</b>	-	<b>96,788</b>	-	<b>96,788</b>	-

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

[Figures in ₹]

**20 Provisions**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Provision for Employee benefits</b>						
Provision for Defined Benefit Obligation - Gratuity	511,803	386,932	465,431	356,974	418,439	298,628
Other provisions						
Provision for Audit Fees	7,500	-	7,500		7,500	
<b>Total</b>	<b>519,303</b>	<b>386,932</b>	<b>472,931</b>	<b>356,974</b>	<b>425,939</b>	<b>298,628</b>

**21 Current Tax Liability**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Current Tax Liability</b>			
Provision for Tax (Net of TDS Receivable for FY 2017-18 ₹2,05,822 and for FY 2016-17 ₹2,31,693)	194,178	298,307	-
<b>Total</b>	<b>194,178</b>	<b>298,307</b>	<b>-</b>

**22 Other liabilities**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Advances from customer	-	-	780,000	-	855,296	-
Statutory Liability	170,720	-	236,957	-	109,554	-
Others						
Expenses Payable	936,788		888,347		868,471	
<b>Total</b>	<b>1,107,508</b>	<b>-</b>	<b>1,905,304</b>	<b>-</b>	<b>1,833,321</b>	<b>-</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Figures in ₹]

### 23 Revenue from operations

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Sale of product*	5,16,62,410	5,63,24,088
Other operating income	1,78,47,660	3,61,093
Total	6,95,10,070	5,66,85,181

\*Note: The Government of India introduced Goods and Service Tax (GST) with effect from 1<sup>st</sup> July 2017 which replaced excise duty. Consequently the revenue from operations for period 1<sup>st</sup> July, 2017 to 31<sup>st</sup> March, 2018 is net of GST. However the revenue from operations for the period of 1<sup>st</sup> April, 2017 to 30<sup>th</sup> June, 2017 includes excise duty recovered on sales of ₹ 11,91,471 and year ended 31<sup>st</sup> March, 2017 includes excise duty recovered on sales of ₹ 59,54,751

### 24 Other income

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Interest Income	21,21,497	23,27,730
Dividend Income	-	1
Other non-operating income (net of expenses)	9,92,300	35,000
Other gains and loss Net Gain/(Loss) arising on financial asset designated as at FVTPL	79,830	-
Total	31,93,627	23,62,731

### 25 Cost of material consumed

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Opening Stock	21,87,740	18,78,882
Add: Purchases	1,87,31,540	1,15,53,674
Less: Closing stock	26,44,444	21,87,740
Total	1,82,74,836	1,12,44,816

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Figures in ₹]

### 26 Changes in inventories of finished goods, Stock-in-Trade and work-inprogress

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Opening stock:		
Work-in-progress	71,36,400	99,68,399
	71,36,400	99,68,399
Less: Closing stock		
Work-in-progress	1,04,10,236	71,36,400
	1,04,10,236	71,36,400
Total	(32,73,836)	28,31,999

### 27 Employee benefit expenses

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Salary, wages and bonus	26,92,459	26,35,172
Contribution to provident and other funds	4,58,017	4,48,313
Staff welfare expenses	40,261	42,669
Total	31,90,737	31,26,154

### 28 Finance cost

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Interest Expenses		
Interest on Borrowing	6,14,473	3,67,662
Interest on TDS	980	1,248
Interest on Others	3,466	-
Interest on VAT/CST & Excise	-	7,648
Other borrowing costs (specify nature)		
Bank Charges	1,01,889	51,820
Total	7,20,808	4,28,378

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

[Figures in ₹]

29 Other Expenses

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Manufacturing Expenses		
Labour Charges, Loading & Unloading Charges	42,200	17,800
Factory Expenses	98,679	74,937
Freight & Octroi-Inward & Goods Import Expenses	3,11,327	3,30,559
Job Work Charges	91,50,203	1,26,98,804
Debit Note Charges	-	22,111
Packing Material Consumed	4,60,676	4,57,786
Power & Fuel Expenses	23,06,604	17,00,990
Repairs & Maintenance on: Machineries	16,29,694	11,11,986
	1,39,99,383	1,64,14,972
Administrative and Selling Expenses		
Advertisement Expenses	-	18,553
Auditors' Remuneration		-
Statutory & Tax Audit Fees	7,500	7,500
Bad Debt	39,37,279	8,63,922
Computer Maintenance & Updation Charges	8,714	3,800
Demat Expenses	570	4,100
Discount Expenses	2,23,101	1,40,086
Freight, Octroi-Outward & Cartages Expenses	2,57,798	2,90,958
Insurance Expenses	3,43,358	2,21,865
Labour Case Settlement Expenses	1,12,000	-
Legal and Professional charges	10,72,681	11,19,055
Listing and Cetification fees	2,59,800	2,00,800
Loss on Sale of Asset	5,46,240	-
Loss arising on financial asset designated as at FVTPL	-	28,492
Net Loss on Foreign Exchange transaction	1,42,008	1,63,663
NSDL / CDSL Connection Fees	31,500	47,100
Office expenses	42,000	27,500
Printing & Stationery Expenses	47,802	71,792
Postage, Telegram, Telephone & Interenet Expenses	1,92,137	2,15,421
Provision for Diminution in value of current Investment	-	44,100
Rates & Taxes	37,793	96,443
Rent Expenses	5,67,000	8,30,500
Repairs & Maintenance - Others	3,690	-
Sales promotion Expense	62,397	31,042
Securities Expenses	1,28,148	2,25,412
Tender Fees	40,827	-
Travelling Expenses	2,32,462	1,22,132
VAT, Excise ans Service Tax Expenses	49,166	-
Vehicle Running & Maintanance	2,45,085	5,06,936
	85,91,055	52,81,171
Total	2,25,90,438	2,16,96,143

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Figures in ₹]

### 30 Earning per Share (EPS)

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Basic and Diluted Earning per Share (EPS)		
Profit available for Equity Shareholder	16,22,744	30,64,308
Weighted Average Number of Equity Shares outstanding at the end of respective year	47,64,740	47,64,740
Basic and Diluted Earning per Share (EPS)	0.34	0.64
Face value of Share	10.00	10.00

### 31. Foreign Exchange:

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Earning In Foreign Exchange		
FOB value of exports	34,02,457	30,30,640
Imports		
CIF Value of Imports	8,25,927	-

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32 Disclosure Pursuant To Ind AS 19 - Employee Benefits

32.1 Defined Contribution Plan

The Company has recognized ₹ 76,330/- & ₹ 1,05,338/- in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2018 & 31<sup>st</sup> March, 2017 respectively under Defined Contribution Plan.

32.2 Defined Benefit Plan

The following table summaries the component of Net Benefit Expenses recognized in the Statement of Profit & Loss and amounts recognized in the Balance Sheet as per Actuarial Valuation Report.

[ Figures in ₹ ]

Particulars	As At 31 <sup>st</sup> March, 2018	As At 31 <sup>st</sup> March, 2017
Change in Present Value of Defined Benefit Obligations:		
Present Value of Benefit Obligation at beginning of the period	8,22,405	7,17,067
Current Service Cost	1,01,564	1,06,039
Interest Cost	63,314	49,119
Actuarial (Gains)/Losses arising from change in financial assumption	(29,212)	(49,820)
Actuarial (Gains)/Losses arising from experience adjustments	(59,336)	-
Present Value of Benefit Obligation at the end of the period	8,98,735	8,22,405
Amount Recognized in Balance Sheet:		
Present Value of Benefit Obligation at the end of the period	8,98,735	8,22,405
Fair Value of Planed Assets at the end of the period	-	-
Net Liability/(Asset) recognized in Balance Sheet	8,98,735	8,22,405
Expenses Recognized in Profit and Loss Statement:		
Current Service Cost	1,01,564	1,06,039
Net Interest on net Defined Liability/(Asset)	63,314	49,119
Expenses recognized in Statement of Profit and Loss	1,64,878	1,55,158
Expenses Recognized in Other Comprehensive Income Remeasurements:		
Actuarial (Gains)/Losses on Liability	(88,548)	(49,820)
Total	(88,548)	(49,820)
Assumption used in accounting for Gratuity Plan:		
Discount Rate	7.70%	6.85%
Salary Escalation	7.00%	7.00%
Retirement Age	58 Years	58 Years
Attrition - Withdrawal Rates	5% to 1%	5% to 1%
Total Employee Benefit Liability		
Current Liability	5,11,803	4,65,431
Non - Current Liability	3,86,932	3,56,974
Total	8,98,735	8,22,405

The estimates of rate of escalation in future salary considered in Actuarial Valuation, take into account inflation, seniority, promotion and other relevant factors including supply & demand in the Employment Market. The above information is certified by The Actuary.

Sensitivity Analysis

Particulars	As At 31 <sup>st</sup> March, 2018
Discount Rate - 1% Increase	8,67,258
Discount Rate - 1% Decrease	9,33,219
Salary Escalation Rate - 1% Increase	9,33,118
Salary Escalation Rate - 1% Decrease	8,66,781
Withdrawal Rate - 1% Increase	8,98,846
Withdrawal Rate - 1% Decrease	8,98,324

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[ Figures in ₹ ]

### 33. Related Party Disclosures

#### 33.1 List of related parties and relationships:

Related Party	Nature of Relationship
Mr. Ramesh D. Virani	Key Management Personnel
Mr. Shreyas R. Virani	
Mrs. Rajashree R. Virani	Relative of Key Management Personnel
Mrs. Urmilaben S. Virani	

#### 33.2 Transactions during the year with related parties and year-end balances

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<u>Nature of Transaction</u>		
Directors' Salary & Perks	22,17,516	22,17,516
Loans Accepted	45,00,000	70,30,000
Loans Repaid	34,60,000	87,00,000

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1st April, 2016
<u>Year-end balances</u>			
Loans Accepted (Payable)	38,41,000	28,01,000	44,71,000

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 34. Segment Information

As per Indian Accounting Standard 108 'Operating Segment', the Company has reported 'Segment Information', as described below:

- The manufacturing Segment includes manufacturing of gears, gear boxes and other transmission components
- The construction segment includes business of real estate development

Revenues and Expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a particular segment have been allocated on the basis of associated revenues of the segments. All other expenses which relate to enterprise as a whole and are not attributable / allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Assets and Liabilities that are directly attributable / allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Segment Reporting for the year ended 31<sup>st</sup> March, 2018

[ Figures in ₹ ]

Particulars	BUSINESS SEGMENTS			
	Manufacturing	Construction	Unallocable	Total
1. Segment Revenue				
External Turnover	5,19,65,070	1,75,45,000	-	6,95,10,070
Inter-Segment Turnover	-	-	-	-
Gross Turnover	5,19,65,070	1,75,45,000	-	6,95,10,070
Less: Excise Duty	(11,91,471)	-	-	(11,91,471)
Net Turnover	5,07,73,599	1,75,45,000	-	6,83,18,599
2. Segment Result before Interest and Taxes	(21,36,521)	16,50,643		(4,85,878)
Less: Interest Expense	-	-	(7,20,808)	(7,20,808)
Add: Other Income	-	-	31,93,627	31,93,627
Profit Before Tax [PBT]	(21,36,521)	16,50,643	24,72,819	19,86,941
Less: Net Current tax	-	-	21,202	21,202
Deferred tax	-	-	3,62,901	3,62,901
Prior Year Tax	-	-	-	-
Profit After Tax [PAT]	(21,36,521)	16,50,643	20,88,716	16,02,838
3. Other Information				
Segment Assets	15,85,79,540	20,30,706	-	16,06,10,246
Segment Liabilities	16,06,10,246	-	-	16,06,10,245

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 3

#### D. NOTES TO FIRST TIME ADOPTION OF IND AS

##### 1. Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and readability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments as at FVOCI) have been recognized in retained earnings as at the date of transition and subsequently in the profit and loss for the year ended March 31, 2017. This decreased profit by ₹ 28,492 as at March 31, 2017 and there is no impact on other reserves as at April 1, 2016.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognized in FVOCI - Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2017. This increased other reserves by ₹ 1,803 as at March 31, 2017 and there is decrease in other reserve by ₹ 6,762 as at April 1, 2016.

##### 2. Retained Earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS adjustments.

##### 3. Deferred tax

Deferred tax has been recognized on the adjustments made on transition to Ind AS.

##### 4. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2017 decreased by ₹ 49,820. There is no impact on the total equity as at March 31, 2017.

##### 5. Other Comprehensive Income

Under Ind AS, all items of income and expense recognized in a period should be included in Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognized in Statement of Profit and Loss but are shown in the Statement of Profit and Loss as "Other Comprehensive Income", includes remeasurement of Employee Benefit obligation and fair valuation of Equity Instruments through OCI and Income tax relating to these items. The concept did not exist under the previous GAAP.

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### NOTE: 35

Disclosure as required by Ind AS 101 first time adoption of Indian Accounting Standards

#### Transition to Ind AS

These are the Company's first Standalone Financial Statements prepared in accordance with Ind AS.

The accounting standards notified u/s 133 of the Companies Act, 2013 and the Accounting policies set out in note 1.2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied by the Company in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment (PPE) as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities(if any,). This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company as elected to measure all of its PPE and Intangible assets at their previous GAAP carrying value.

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### B. Ind AS Mandatory Exceptions

##### B.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI; and
- Investment in mutual funds carried at Fair Value through Profit and Loss (FVPL).

##### B.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of Ind AS.

#### C. Reconcliations between previous GAAP and Ind AS

The following tables represent the reconciliations of Balance Sheet, Total Equity, Total Comprehensive Income, and Cash Flows from previous GAAP to Ind AS.

# SAR AUTO PRODUCTS LIMITED

## 1 Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS as at April 1, 2016

[Figures in ₹]

Particulars	Notes to First time adoption	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment		3,19,58,786	-	3,19,58,786
Financial Assets				
Investments	1	8,405	(5,355)	3,050
Loans		25,000	-	25,000
Deferread tax assets		11,20,490	-	11,20,490
Other non-current assets		6,34,351	-	6,34,351
		3,37,47,032	(5,355)	3,37,41,677
<b>CURRENT ASSETS</b>				
Inventories		1,94,87,518	-	1,94,87,518
Financial Assets				
Investments	1	4,04,535	(1,407)	4,03,128
Trade receivables		1,33,06,130	-	1,33,06,130
Cash and cash equivalents		1,49,59,474	-	1,49,59,474
Loans		5,18,73,299	-	5,18,73,299
Others (to be specified)		37,28,359	-	37,28,359
Current tax asset		10,13,359	-	10,13,359
Other current assets		25,96,695	-	25,96,695
		10,73,69,369	(1,407)	10,73,67,962
<b>Total Assets</b>		14,11,16,401	(6,762)	14,11,09,639
<b>EQUITY AND LIABILITY</b>				
<b>EQUITY</b>				
Equity share capital		4,76,47,400	-	4,76,47,400
Other Equity	2	7,60,28,893	(6,762)	7,60,22,131
		12,36,76,293	(6,762)	12,36,69,531
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities				
Borrowings		14,29,750	-	14,29,750
Provisions		2,98,628	-	2,98,628
		17,28,378	-	17,28,378
<b>CURRENT LIABILITIES</b>				
Financial liabilities				
Borrowings		80,03,660	-	80,03,660
Trade payables		53,52,022	-	53,52,022
Other financial liabilities		96,788	-	96,788
Other current liabilities		18,33,321	-	18,33,321
Provisions		4,25,939	-	4,25,939
		1,57,11,730	-	1,57,11,730
<b>Total Equity and Liabilities</b>		14,11,16,401	(6,762)	14,11,09,639

\* The previous GAAP figures have been reclassified to conform to the Ind AS presentation requirements for the purpose of this note.

# SAR AUTO PRODUCTS LIMITED

## 2 Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS as at March 31,

[Figures in ₹]

Particulars	Notes to First time adoption	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment		5,20,55,745	-	5,20,55,745
Financial Assets				
Investments	1	8,405	(5,355)	3,050
Loans		25,000	-	25,000
Deferread tax assets		20,96,672	-	20,96,672
Other non-current assets		6,34,351	-	6,34,351
		5,48,20,173	(5,355)	5,48,14,818
<b>CURRENT ASSETS</b>				
Inventories		2,61,56,330	-	2,61,56,330
Financial Assets				
Investments	1	19,54,905	(21,333)	19,33,572
Trade receivables		1,73,96,970	-	1,73,96,970
Cash and cash equivalents		1,91,52,406	-	1,91,52,406
Loans		1,37,87,135	-	1,37,87,135
Others (to be specified)		21,41,665	-	21,41,665
Current tax asset		10,13,359	-	10,13,359
Other current assets		30,83,307	-	30,83,307
		8,46,86,076	(21,333)	8,46,64,743
<b>Total Assets</b>		13,95,06,249	(26,688)	13,94,79,561
<b>EQUITY AND LIABILITY</b>				
<b>EQUITY</b>				
Equity share capital		4,76,47,400	-	4,76,47,400
Other Equity	2	7,91,13,126	(26,688)	7,90,86,438
		12,67,60,526	(26,688)	12,67,33,838
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities				
Borrowings		14,29,750	-	14,29,750
Provisions		3,56,974	-	3,56,974
		17,86,724	-	17,86,724
<b>CURRENT LIABILITIES</b>				
Financial liabilities				
Borrowings		48,00,000	-	48,00,000
Trade payables		33,85,669	-	33,85,669
Other financial liabilities		96,788	-	96,788
Other current liabilities		19,05,304	-	19,05,304
Provisions		4,72,931	-	4,72,931
Current tax liability		2,98,307	-	2,98,307
		1,09,58,999	-	1,09,58,999
<b>Total Equity and Liabilities</b>		13,95,06,249	(26,688)	13,94,79,561

\* The previous GAAP figures have been reclassified to conform to the Ind AS presentation requirements for the purpose of this note.

# SAR AUTO PRODUCTS LIMITED

## 3 Reconciliation of Total Comprehensive Income for thr year ended March 31, 2017

[Figures in ₹]

Particulars	Notes to First time adoption	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
<b>INCOME</b>				
Revenue from operations		5,07,30,430	59,54,751	5,66,85,181
Other income		23,62,731	-	23,62,731
<b>Total Income</b>		<b>5,30,93,161</b>	<b>59,54,751</b>	<b>5,90,47,912</b>
<b>EXPENSES</b>				
Cost of material consumed		1,12,44,816	-	1,12,44,816
Cost of Development and Construction		91,64,949	-	91,64,949
Changes in inventories of finished goods, Stock-in-Trade and work-inprogress		28,31,999	-	28,31,999
Changes in inventories of Constructed Properties		(91,64,949)	-	(91,64,949)
Excise duty		-	59,54,751	59,54,751
Employee benefits expense	4	30,76,334	49,820	31,26,154
Finance costs		4,28,378	-	4,28,378
Depreciation and amortization expense		1,12,05,931	-	1,12,05,931
Other expenses	1	2,16,67,651	28,492	2,16,96,143
<b>Total Expenses</b>		<b>5,04,55,109</b>	<b>60,33,063</b>	<b>5,64,88,172</b>
<b>Profit/(loss) before tax</b>		<b>26,38,052</b>	<b>(78,312)</b>	<b>25,59,740</b>
<b>Tax expenses</b>				
Current tax		5,30,000	-	5,30,000
Deferred tax		(4,66,182)	-	(4,66,182)
MAT Credit Entitlement		(5,10,000)	-	(5,10,000)
<b>Profit/(loss) for the period</b>		<b>30,84,234</b>	<b>(78,312)</b>	<b>30,05,922</b>
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss	5	-	8,566	8,566
Equity instruments through other comprehensive income				
Remeasurement of Defined benefit Plans	5	-	49,820	49,820
<b>Total other comprehensive income</b>		<b>-</b>	<b>58,386</b>	<b>58,386</b>
<b>Total comprehensive income</b>		<b>30,84,234</b>	<b>(19,926)</b>	<b>30,64,308</b>

\* The previous GAAP figures have been reclassified to conform to the Ind AS presentation requirements for the purpose of this note.

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### D. NOTES TO FIRST TIME ADOPTION OF IND AS

#### 1. Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and readability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments as at FVOCI) have been recognized in retained earnings as at the date of transition and subsequently in the profit and loss for the year ended March 31, 2017. This decreased profit by ₹ 28,492 as at March 31, 2017 and there is no impact on other reserves as at April 1, 2016.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognized in FVOCI - Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2017. This increased other reserves by ₹ 1,803 as at March 31, 2017 and there is decrease in other reserve by ₹ 6,762 as at April 1, 2016.

#### 2. Retained Earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS adjustments.

#### 3. Deferred tax

Deferred tax has been recognized on the adjustments made on transition to Ind AS.

#### 4. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2017 decreased by ₹ 49,820. There is no impact on the total equity as at March 31, 2017.

#### 5. Other Comprehensive Income

Under Ind AS, all items of income and expense recognized in a period should be included in Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognized in Statement of Profit and Loss but are shown in the Statement of Profit and Loss as "Other Comprehensive Income", includes remeasurement of Employee Benefit obligation and fair valuation of Equity Instruments through OCI and Income tax relating to these items. The concept did not exist under the previous GAAP.

SAR AUTO PRODUCTS LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36. Contingent Liabilities not provided for NIL
37. Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.
38. Estimated amount of Contract remaining to be executed on Capital Accounts and not provided for, net of advance is - NIL ( Previous year - NIL)
39. The outstanding balances as at 31.03.2018 in respect of Trade receivables, Trade payables, Loans & Advances and other payables & receivables are subjected to confirmation from respective parties and consequential reconciliation and/ or adjustments arising there from, if any. The Management, however, does not expect any material variation.
40. According to the opinion of the management of the Company the value of realization of Trade & Other Receivables and Loans & Advances given in the ordinary course of business would not be less than the amount at which they are stated in the Balance sheet.

See accompanying Statement on Significant accounting policies & Notes to Accounts

As per our Report of even date

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration No. 119980W)

Jingal A. Sheth  
Proprietor  
(Membership No.107067)

Ramesh D. Virani  
Managing Director  
(DIN:00313236)

Shreyas R. Virani  
Whole-time Director  
(DIN:00465240)

Ronak M. Khanvani  
Secretary

Rajkot, dated 29<sup>th</sup> May, 2018

Rajkot, dated 29<sup>th</sup> May, 2018

---

**SAR AUTO PRODUCTS LIMITED**

(CIN: L34100GJ1987PLC010088)

50-E, BHAKTINAGAR, INDS. ESTATE, RAJKOT

Ph: 0281-2374726 Fax No.: +912812376806 Email: sapl@sarautoproducs.com

---

**ATTENDANCE SLIP FOR 31<sup>ST</sup> ANNUAL GENERAL MEETING**

Name of Shareholder		
Number of Equity Shares held		
Folio No.		
If Demat Shares	DP ID	
	Client ID	

I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of the Company held at Registered office of the Company situated at 50-E, Bhaktinagar, Inds. Estate, Rajkot-360002 at 11:00 a.m.on Friday, September 28, 2018.

.....  
(Name of Member/proxy/Authorized Representative)  
(IN BLOCK LETTERS)

.....  
(Signature of Member/Proxy  
/Authorized Representative)

***Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.***

**31<sup>ST</sup> ANNUAL GENERAL MEETING ON 28<sup>TH</sup> SEPTEMBER, 2018**

**Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014- **Form No. MGT-11**]*

Name of the member (s) (In BLOCK LETTERS)			
Registered address (In BLOCK LETTERS)			
E-mail Id		Folio No.	
No. of Shares Held		DP ID Client ID	

I/We, \_\_\_\_\_ being the member (s) of \_\_\_\_\_ Equity shares of the above named company, hereby appoint

Name			
Address			
E-mail Id		Signature	
or failing him			
Name			
Address			
E-mail Id		Signature	
or failing him			
Name			
Address			
E-mail Id		Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the company, to be held on Friday, September -28, 2018, at 11:00 a.m. at 50-E, Bhaktinagar, Inds. Estate, Rajkot-360002, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote(Optional See Note 2) Please Mention No. of Shares		
		For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	To receive, consider, approve and adopt the Audited Financial Statements as on 31st March, 2018 and the Profit & Loss Account for the year ended on that date and the Board's Report and the Auditors' Report thereon.			
2	To appoint a Director in place of Shri Shreyas Rameshbhai Virani (DIN: 00465240) who retires by rotation and being eligible, offers himself for re-appointment.			
3	To appoint Statutory Auditors of the Company for Consecutive period of Four years and to fix their remuneration.			
<b>SPECIAL BUSINESS</b>				
4	To Approve Terms of Re-appointment of Shri Shreyas R. Virani as Whole-Time Director for a further period of 5 years w.e.f 30 <sup>th</sup> September, 2018.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

\_\_\_\_\_  
Signature of shareholder

Affix  
Revenue  
Stamp of not  
less than Rs.1

signature across Revenue stamp

\_\_\_\_\_  
Signature of Proxy holder(s)

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

**For Office Use: Proxy No.**

**Date of Reciept** \_\_\_\_\_

## ROUTE MAP OF SAR AUTO PRODUCTS LIMITED FOR ANNUAL GENERAL MEETING

